



**GVK POWER & INFRASTRUCTURE LIMITED**  
30<sup>TH</sup> ANNUAL REPORT 2023 - 24







## Contents

Board of Directors and Corporate information	2
Financials at a glance	3
Notice of Annual General Meeting	4
Directors Report	12
Report on Corporate Governance	44
Management Discussion & Analysis	57
Independent Auditor's Report on Consolidated Accounts	64
Consolidated Balance Sheet, Profit & Loss Account	76 & 77
Consolidated Cash Flow Statement	78
Notes to Consolidated Accounts	81
Independent Auditor's Report on Standalone Accounts	132
Standalone Balance Sheet, Profit & Loss Account	146 & 147
Standalone Cash Flow Statement	148
Notes to Standalone Accounts	150



# Corporate Information

## Board of Directors

(As on 14th November, 2024)

Dr. GVK Reddy	Chairman
G V Sanjay Reddy	Vice Chairman
P V Prasanna Reddy	Whole-time Director
Anumolu Rajasekhar	Independent Director *
N Anil Kumar Reddy	Independent Director *
Ms. Rama Rao	Independent Woman Director *
Ilyas Ghulam Hussain Ghouse	Independent Director *
Sanjeev Kumar Singh	CFO
T Ravi Prakash	Company Secretary & Compliance officer

\* Mr Anumolu Rajasekhar resigned from the Board with effect from 25th April, 2024 and Mr. N Anil Kumar Reddy, Ms Rama Rao & Mr Ilyas Ghulam Hussain Ghouse resigned from the Board with effect from 4th October, 2024.

Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of GVK Power & Infrastructure Ltd. under the provisions of insolvency and Bankruptcy Code, 2016 ("Code") by an order of National Company Law Tribunal ("NCLT") with effect from 12.07.2024.

As per the aforesaid order, the Hon'ble NCLT has appointed Mr. Satish Kumar Gupta as the Interim Resolution Professional (IRP). As per the approval at 1st Committee of Creditors meeting held on 14th August 2024, IRP was confirmed as Resolution professional

By virtue of the above said order, the Board and all the Statutory Committees of the Board have been suspended from the effective date as per Section 17 of the Insolvency & Bankruptcy Code, 2016 (code) where in the powers of the Board of GVK Power & Infrastructure Limited (GVK PIL) stands suspended and such powers shall be exercised by Insolvency & Resolution Professional (IRP.)

As per Regulation 15(2A) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) the provisions as specified in Regulation 17 (Board of Directors) shall not be applicable during the insolvency resolution process of the listed entity and the roles and responsibilities of the Board as specified under Regulation 17 shall be fulfilled by IRP.

As per Regulation 15(2A) of Chapter IV of SEBI LODR, Regulations 18 (Audit Committee), Regulation 19 (Nomination and Remuneration Committee), Regulation 20 (Stakeholders Relationship Committee) and Regulation 21 (Risk Management Committee) shall not be applicable during the IRP period in respect of the listed entity which is undergoing the CIRP under the Insolvency code.

**Statutory Auditors**

T R Chadha & Co LLP  
Office No: 2, 2nd Floor, Block A,  
6-3-1092/S/3, Shanthi Sikhara Complex,  
Rajbhavan Road, Somajiguda  
Hyderabad – 500 082.

**Secretarial Auditor**

Narender & Associates  
Company Secretaries  
403, Naina Residency, Srinivasa Nagar(East)  
Ameerpet, Hyderabad – 500 038

**Registered Office**
**Stock Code**
**ISIN**
**CIN**
**Registrar & Share Transfer Agents**

KFin Technologies Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli  
Financial District, Nanakramguda  
Hyderabad – 500 032.

**Internal Auditors**

Rambabu & Co  
Chartered Accountants  
H.O.: 31, Pancom Chambers  
Rajbhavan Road, Hyderabad - 500 082

Darshak Chambers, Plot No:32, Ground floor  
House No:1-8-303/48/32, Street No:1  
Penderghast Road, Secunderabad – 500 003

BSE : 532708

NSE : GVKPIL

INE251H01024

L74999TG2005PLC059013

## Financials at a glance

(Rs. Lakhs)

	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
<b>Financial Performance</b>				
Operational Incomes	760	1,000	108,014	212,036
EBIDTA	(364)	(74)	92,664	1,31,792
Other Income	1,208	786	7,499	5,870
Finance Costs	-	-	53,373	107,371
Depreciation	11	11	22,702	39,974
<b>Profit/ (Loss) from ordinary activities but before exceptional items</b>	833	701	24,088	(9,683)
Exceptional items(net)	-	-	-	324,200
<b>Profit / (Loss) from ordinary activities</b>	-	-	-	314,517
Impairment of Deemed investment	2,284	-	-	-
Share of loss of jointly controlled entity	-	-	(71)	(225)
<b>Loss before tax</b>	(1,451)	701	24,017	314,292
Tax expense/(credit)	343	55	2,896	7,184
<b>Profit / (Loss) for the year</b>	(1,794)	646	21,121	307,108
Other comprehensive income, net	-	-	90	(39)
<b>Total comprehensive income</b>	-	-	90	(39)
Total comprehensive Profit/ (Loss) for the period	(1,794)	646	21,211	307,069
Owners of the company	-	-	2,128	2,43,839
Non - controlling interest	-	-	19,083	63,230
<b>EPS (Rupees) :</b>				
<b>Weighted Average no. of Equity Shares</b>	1,579,210,400	1,579,210,400	1,579,210,400	1,579,210,400
Basic and Diluted	(0.11)	0.04	0.13	15
<b>Financial Position:</b>				
Fixed Assets (Net of depreciation)	23	46	351,308	373,433
Cash and Bank balance	3,936	4,676	50,458	50,808
Net current assets	(14,497)	(5,757)	(1,39,219)	(1,16,128)
Total Assets	263,959	256,554	780,922	768,937
Equity	15,792	15,792	15,792	15,792
Other equity	69,711	71,505	(134,041)	(130,924)
Net worth	85,503	87,297	56,277	45,301
Market Capitalisation	153,973	32,690	153,973	32,690

## Notice

Notice is hereby given that the 30th Annual General Meeting of the members of GVK Power & Infrastructure Limited (CIN:L74999TG2005PLC059013) will be held on **Tuesday, the 31st December, 2024 at 11.30 am through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")** to transact the following business. Registered office of the Company situated at Darshak Chambers, Plot No:32, Ground floor, House No:1-8-303/48/32, Street No:1, Penderghast Road, Secunderabad - 500003 shall be deemed to be the venue of this meeting.

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors ('the Board') and the Auditors thereon.
2. To appoint a director in place of **Dr. GVK Reddy** (DIN:00005212), who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board  
For GVK Power & Infrastructure Limited

Place : Hyderabad  
Date : 14th November, 2024

T Ravi Prakash  
Company Secretary & Compliance Officer

## Notes

1. In view of ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, General Circular Nos. 20/2020 dated May 05, 2020, followed by General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") has allowed the Companies to conduct Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. Further, MCA vide its General Circular no 2/2022 dated 5th May, 2022 has decided to allow the Companies to conduct AGM's was further extended upto 31st December, 2022 through Video Conference (VC) or Other Audio Visual Means (OAVM). The Securities and Exchange Board of India ("SEBI") vide its Circular Nos. SEBI/ HO/ CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/DDHS/P/ CIR/2023/0164 dated October 07, 2023 (collectively referred to as "SEBI Circulars") has granted relaxation in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode. In terms of the said Circulars, the 30th AGM of the Company is being held through VC. Hence, Members can attend and participate in the AGM through VC only.
  2. Pursuant to the aforesaid MCA Circulars, Members attending the 30th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  3. As per the Companies Act, 2013, ('the Act'), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. However, in terms of the MCA Circulars, the 30th AGM is being held through VC, physical attendance of Members has been dispensed with. Accordingly, in terms of the MCA Circulars and SEBI Circulars, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 30th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
  4. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, the 28th December 2024 to Tuesday, the 31st December 2024** (both days inclusive).
  5. KFin Technologies Limited (Kfintech) is the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for shares held in physical and electronic form.
  6. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution/ authorization letter to the Scrutiniser at e-mail ID narenderg99@gmail.com with a copy marked to evoting@kfintech.com and to the Company at cs.gvcpil@gvk.com authorising its representative(s) to attend and vote through VC on their behalf at the Meeting pursuant to section 113 of the Companies Act, 2013. In case if the authorized representative attends the Meeting, the above mentioned documents shall be submitted before the commencement of said Meeting.
  7. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.
  8. Kfintech shall be providing the facility for voting through remote e-voting, for participation in the 30th AGM through VC facility and e-voting during 30th AGM.
  9. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s). Any such changes effected by the Depository Participants will automatically reflect in the Company's records. In respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Limited (Unit: GVK Power & Infrastructure Limited), Selenium Tower B, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032.
- Members may note that the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address by sending it to cs.gvcpil@gvk.com
10. In line with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 are being sent only through electronic mode to those Members whose email addresses are registered with the RTA/ Depositories. Members may also note that the Notice of the 30th AGM and the Annual Report 2023-24 will also be available on the Company's website at <https://www.gvk.com>, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of the RTA at <https://evoting.kfintech.com/>.

#### GVK Power & Infrastructure Limited

11. Pursuant to Regulation 40 of SEBI LODR, transfer of securities held in physical form shall not be processed and any transfer of securities will be possible only in dematerialized mode. Hence members are advised to dematerialize their shares that are held in physical form for any further transfer.
12. Further with reference to the SEBI circular (Ref. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018) directing security holders, holding securities in physical form to update details of their PAN and bank account, we request all such security holders to immediately update the required details or any change therein with the RTA/ Company.
13. Members who hold shares in dematerialized form and wish to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.
14. As per the provisions of Section 72 of the Companies Act, 2013, nomination facility is available to the members, in respect of equity shares held by them. Nomination forms can be obtained from the RTA.
15. As per Rule 3 of Companies (Management and Administration) Rules, 2014, Register of Members of the Company should have additional details pertaining to e-mail, PAN / CIN, UID, Occupation, Status, Nationality. We request all the Members of the Company to update their details with their respective Depository Participants (DPs) in case of shares held in electronic form and with the Company's RTA in the case of physical holding, immediately.
16. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be: -
  - a) the change in the residential status on return to India for permanent settlement, and
  - b) the particulars of the updated Bank Account in India.
17. Since the AGM will be held through VC Facility, the Route Map being not relevant, is not annexed to this Notice.
18. Members may join the 30th AGM through VC Facility by following the procedure as mentioned separately in the notice, which shall be kept open for the Members from 11:00 a.m. IST i.e. 15 minutes before the time scheduled to start the 30th AGM and shall not be closed for at least 15 minutes after such scheduled time.
19. Members may note that the VC Facility, provided by Kfintech, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 30th AGM without any restriction on account of first-come first-served principle.
20. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the members during the AGM.

Member seeking any information with regard to any queries regarding the Annual Report, may write to the Company at [cs.gvcpil@gvk.com](mailto:cs.gvcpil@gvk.com)
21. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment Rules, 2015, Secretarial Standard-2 on General Meetings and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members with facility to exercise their votes by electronic means through remote e-voting services provided by KFin Technologies Limited (Service Provider) on all resolutions set forth in this Notice.
22. The process and manner for remote E-Voting In compliance with the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations read with SEBI Circular No. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Members are provided with the facility to cast their vote electronically, through the modes listed below, on all resolutions set forth in this Notice, by way of remote e-voting.



**A) Information and instructions for remote e-voting by Individual Shareholders holding shares of the Company in demat mode:**

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

The procedure to login and access remote e-voting, as devised by the Depositories/ Depository Participant(s), is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. Members already registered for NSDL IDeAS facility;</b></p> <ol style="list-style-type: none"> <li>please visit the following URL <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section.</li> <li>A new screen will prompt and you will have to enter your User ID and Password.</li> <li>Post successful authentication, click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page.</li> <li>Click on company name or e-Voting service provider name i.e., Kfintech and you will be re-directed to Kfintech website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>2. Members who have not registered for IDeAS facility, may follow the below steps;</b></p> <ol style="list-style-type: none"> <li>To register for IDeAS facility visit the URL at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Click on “Register Online for IDeAS” or for direct registration click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>On completion of the registration formality, follow the steps provided above.</li> </ol> <p><b>3. Members may alternatively vote through the e-voting website of NSDL in the following manner;</b></p> <ol style="list-style-type: none"> <li>Visit the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>Members to enter User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code shown on the screen.</li> <li>Post successful authentication, you will be redirected to NSDL IDeAS site wherein you can see e-Voting page.</li> <li>Click on company name or e-Voting service provider name i.e., Kfintech and you will be redirected to Kfintech website for casting your vote.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Members already registered for Easi/ Easiest facility may follow the below steps;</b></p> <ol style="list-style-type: none"> <li>Visit the following URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Click on the “Login” icon and opt for “New System Myeasi” (only applicable when using the URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>)</li> <li>On the new screen, enter User ID and Password. Without any further authentication, the e-voting page will be made available.</li> <li>Click on Company name or e-voting service provider name i.e. Kfintech to cast your vote</li> </ol> <p><b>2. Members who have not registered for Easi/Easiest facility, may follow the below steps;</b></p> <ol style="list-style-type: none"> <li>To register for Easi/Easiest facility visit the URL at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>On completion of the registration formality, follow the steps mentioned above.</li> </ol> <p><b>3. Members may alternatively vote through the e-voting website of CDSL in the manner specified below:</b></p> <ol style="list-style-type: none"> <li>Visit the following URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Enter the demat account number and PAN</li> <li>Enter OTP received on mobile number and email registered with the demat account for authentication.</li> <li>Post successful authentication, the member will receive links for the respective e-voting service provider i.e. Kfintech where the e-voting is in progress.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>1. Members may alternatively log-in using the credentials of the demat account through their Depository Participant(s) registered with NSDL/CDSL for the e-voting facility.</li> <li>2. On clicking the e-voting icon, members will be redirected to the NSDL/CDSL site, as applicable, on successful authentication.</li> <li>3. Members may then click on Company name or e-voting service provider name i.e. Kfintech and will be redirected to Kfintech website for casting their vote</li> </ol>

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants' website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders / members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**B) Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and for all shareholders holding securities in physical mode.**

Member will receive an e-mail from Kfintech [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number ("EVEN"), User ID and Password:

- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
- Enter the login credentials (i.e., User ID and Password). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and Password for casting your vote.
- After entering these details appropriately, click on 'LOGIN'
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the 'EVENT', i.e., GVK Power & Infrastructure Limited.
- On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-Off Date under 'FOR/ AGAINST' or, alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option 'ABSTAIN'. If you do not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
- Equity shareholders holding multiple folios/demat accounts may choose the voting process separately for each folio/demat accounts.
- You may then cast your vote by selecting an appropriate option and click on 'Submit'.
- A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed

to modify your vote. During the voting period, you can login any number of times till you have voted on the Resolution.

- xi. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorised to vote, to the Scrutiniser through e-mail ID narenderg99@gmail.com with a copy marked to evoting@kfintech.com and to the Company at cs.gvcpil@gvk.com. The file scanned image of the Board Resolution should be in the naming format "Company Name, Event No."
- xii. In case e-mail id of a Member is not registered with the Company/ Depository Participant(s), (including Members holding shares in physical form), please follow the steps for registration as mentioned in para 11 of the Notes.
  - a) Upon registration, Member will receive an e-mail from Kfintech which includes details of E-Voting Event Number (EVEN), USER ID and password.
  - b) Please follow all steps from aforesaid Note. No. 26 (B) (i) to (xi) above to cast your vote by electronic means.
- xiii. A person, whose name is recorded in the register of equity shareholder or in the register of beneficial owners maintained by the depositories as on the Cut-Off Date only shall be entitled to avail the facility of remote e-voting as well as e-voting at the Meeting.
- xiv. Persons holding securities in physical mode and non-individual shareholders holding securities in demat mode who become equity shareholder after dispatch of the Notice of the Meeting but on or before the Cut-Off Date, i.e., 23rd August, 2023 may obtain User ID and Password in the manner as mentioned below
  - I. If the mobile number of the equity shareholder is registered against Folio No./DP ID-Client ID, the Member may send SMS: MYEPWD<SPACE>Folio No. or DP ID-Client ID to +91 9212993399. In case of physical holding, prefix Folio No. with EVEN. Example for NSDL: MYEPWD<SPACE>IN12345612345678 Example for CDSL: MYEPWD<SPACE>1402345612345678 Example for Physical: MYEPWD<SPACE>XXX1234567890 (XXXX being EVEN)
  - II. If email address of the equity shareholder is registered against Folio No./DP ID-Client ID, then on the home page of <https://evoting.kfintech.com>, the equity shareholder may click 'Forgot Password' and enter Folio No. or DP ID-Client ID and PAN to generate a password.
  - III. Equity shareholders may send an e-mail request to <https://evoting.kfintech.com>. If the equity shareholder is already registered with the Kfintech's e-voting platform, then such equity shareholder can use his/her existing User ID and Password for casting the vote through remote e-voting.
  - IV. In case of any queries, please visit Help and Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com>. For any grievances related to e-voting, please contact Mr. SV Raju, Deputy Vice President, KFin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramgula, Serilingampally Mandal, Hyderabad-500 032 at [evoting.kfintech.com](mailto:evoting.kfintech.com), Toll Free No: 1800-309-4001.

## 23. Remote e-voting

The remote e-voting period commences on **Saturday, 28th December 2024** at 9.00 a.m. IST and ends on **Monday, 30th December, 2024** at 5.00 p.m. IST (both days inclusive). During this period, the Members of the Company holding shares in physical form or in dematerialized form, may cast their votes by remote e-voting in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, being **Tuesday, 24th December, 2024** will be entitled to cast their votes by remote e-voting.

24. The voting rights of the equity shareholder shall be in proportion to their shareholding of the paid up equity share capital of the Applicant Company as on Cut-Off Date, i.e., **Tuesday, 24th December, 2024**.

25. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

## 26. VOTING AT THE AGM:

- i Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same.
- ii Members who have voted through Remote e-voting will be eligible to attend the AGM, however, they shall not be allowed to cast their vote again during the AGM.
- iii The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM and shall also announce the start of the casting the vote at AGM through the e-Voting platform of our RTA - Kfintech and thereafter the e-Voting at AGM shall commence.
- iv Upon the declaration by the Chairman about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.



#### GVK Power & Infrastructure Limited

- v Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- vi However, this facility shall be operational till all the resolutions are considered and voted upon in the meeting.
- vii A Member can opt can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

27. To facilitate Members to receive the Company's Annual Report and Notice for the Annual General Meeting (including remote e-voting instructions) electronically and cast their vote, the Company has made special arrangements with Kfintech for registration of email addresses of the Members in terms of the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA. Eligible Members who have not submitted their email address to the Company or Kfintech are required to provide/update their email address to Kfintech, on or before 5:00 p.m. (IST) on **Tuesday, 24th December, 2024**.

**The process for registration / updation of email address with Kfintech for receiving the Notice of AGM and Annual Report and login ID and password for e-voting is as under:**

- a Visit the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.
- b Select the Company name viz. GVK Power & Infrastructure Limited.
- c Enter the DP ID & Client ID/Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
- d Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation. e Enter your email address and mobile number.
- e The system will then confirm the email address for receiving this AGM Notice.

#### OTHER INSTRUCTIONS

1. Mr. Narender Gandhari, (Membership No. FCS 4898), Practicing Company Secretary have been appointed as the Scrutinizer for conducting the remote e-voting, and e-voting process (in a fair and transparent manner).
2. The Scrutinizer will, after the conclusion of e-voting during the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorised by him in writing who shall countersign the same in compliance of Rule 20 of Companies (Management and Administration) Rules, 2014 (including amendments made thereto) read with Regulation 44 of SEBI LODR.
3. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
4. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at [www.gvk.com](http://www.gvk.com) and on Service Provider's website at <https://evoting.kfintech.com/> immediately after the result is declared by the Chairman or by person authorised by him and communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

#### Instructions for attending the AGM through VC:

1. Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com> by using their DP ID / Client ID / Folio No. as applicable as the credentials.
2. The facility for joining the AGM shall open 30 minutes before the time scheduled to start the 30th AGM and shall not be closed for at least 15 minutes after such scheduled time.
3. Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.
4. Members will be required to grant access to the web-cam to enable two-way video conferencing.
5. Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC smoothly, without any fluctuations in the audio/video quality.
6. Members who may want to express their views or ask questions at the AGM may visit <https://evoting.kfintech.com> and click on the tab "Annual General Meeting Post Your Queries Here" to post their queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall remain active during the remote e-voting period and shall be closed on Monday, 30th December, 2024 at 5:00 p.m
7. In addition to the above mentioned step, the Members may register themselves as speakers for the AGM to raise their queries. Accordingly, the Members may visit <https://evoting.kfintech.com/> and click on tab 'Speaker Registration for eAGM' during the period mentioned below. Members shall be provided a 'queue number' before the AGM. The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

The 'Speaker Registration' window shall be activated on **Thursday, 26th December 2024** at 9.00 A.M. and shall be closed on **Saturday, 28th December 2024** at 9.00 A.M. Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM provided they hold shares as on the cut-off date i.e., **Tuesday, 24th December, 2024**. The Company reserves the right to restrict the number of speakers and time allotted per speaker subject to availability of time as appropriate for smooth conduct of the AGM.

8. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same.
9. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfin Technologies Limited at toll free number 1800-309-4001 or write to them at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) and/or [evoting@kfintech.com](mailto:evoting@kfintech.com). Kindly quote your name, DP ID Client ID/ Folio No and e-voting Event Number in all your communications.
10. As an ongoing endeavour to enhance Investor experience and leverage new technology, our registrar and transfer agents KFIN Technologies Limited have been continuously developing new applications. Here is a list of applications that has been developed for our investors.
  - a) **Investor Support Centre**: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query , Raise a service request , Track the status of their DEMAT and REMAT request , Dividend status , Interest and Redemption status , Upload exemption forms (TDS) , Download all ISR and other related forms.  
URL: <https://ris.kfintech.com/clientservices/isc>
  - b) **eSign Facility**: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the first RTA which has enabled the option and can be accessed via the link below.  
URL: <https://ris.kfintech.com/clientservices/isr>
  - c) **KYC Status** : Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.  
URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>
  - d) **KPRISM**: A mobile application as well as a webpage which allows users to access Folio details , Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.  
URL: <https://kprism.kfintech.com/signin.aspx>
  - e) **WhatsApp**: Modern technology has made it easier to communicate with shareholder across multiple levels. WhatsApp has a wider reach today with majority having a know-how of the application. In order to facilitate the shareholders KFIN has now a dedicated WhatsApp number that can be used for a bouquet of services.  
WhatsApp Number : (91) 910 009 4099

By order of the Board  
For GVK Power & Infrastructure Limited

Place : Hyderabad  
Date : 14th November, 2024

T Ravi Prakash  
Company Secretary & Compliance Officer

## Directors' Report

Dear Stakeholders,

Your Directors present the 30th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2024 for your approval.

### Financial Results

Following is the summary of Standalone and consolidated financial results of the Company including its subsidiaries, associate and joint ventures. (Rs. Lakhs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
<b>Financial Performance</b>				
Operational Incomes	760	1,000	108,014	212,036
EBIDTA	364	(74)	92,664	131,792
Other Income	1,208	786	7,499	5,870
Finance Costs	-	-	53,373	107,371
Depreciation	11	11	22,702	39,974
Exceptional item (net)	-	-	-	324,200
Impairment of Deemed investment	2,284	-	-	-
Share of loss of jointly controlled entity	-	-	(71)	(225)
<b>Profit / (Loss) from ordinary activities</b>	<b>(1,451)</b>	<b>701</b>	<b>24,017</b>	<b>314,292</b>
Profit/(Loss) before tax	(1,451)	701	24,017	314,292
Tax expense/(credit)	343	55	2,896	7,184
Profit/(Loss) for the period from continuing operations	-	-	21,121	307,108
Profit/(Loss) before Tax for the period from discontinuing Operations	-	-	-	-
Tax expense of discontinuing operations	-	-	-	-
Profit/(Loss) for the period from discontinuing operations	-	-	-	-
<b>Profit / Loss for the Period</b>	<b>(1,794)</b>	<b>646</b>	<b>21,121</b>	<b>307,108</b>
Other comprehensive (expense)/income - Continuing operations	-	-	90	(39)
Other comprehensive (expense)/income - Discontinuing operations	-	-	-	-
<b>Total other comprehensive (expense)/income</b>	<b>(1,794)</b>	<b>646</b>	<b>90</b>	<b>(39)</b>
Total comprehensive (expense)/income for the period	-	-	21,121	307,069
Owners of the company	-	-	2,128	2,43,839
Non controlling interests	-	-	19,083	63,230
<b>EPS (Rupees):</b>				
Weighted Average no. of Equity Shares	1,57,92,10,400	1,57,92,10,400	1,57,92,10,400	1,57,92,10,400
<b>Basic and Diluted earnings per share in Rs</b>				
- Continuing operations	(0.11)	0.04	0.13	15
- Discontinuing operations	-	-	-	-
<b>- Total operations</b>	<b>(0.11)</b>	<b>0.04</b>	<b>0.13</b>	<b>15</b>
<b>Financial Position:</b>				
Fixed Assets (Net of depreciation)	23	46	351,308	373,433
Cash and Bank balance	3,936	4,676	50,458	50,808
Net current assets	(14,497)	(5,757)	(1,39,219)	(1,16,128)
<b>Total Assets</b>	<b>263,959</b>	<b>256,554</b>	<b>780,922</b>	<b>768,937</b>
Equity	15,792	15,792	15,792	15,792
Other equity	69,711	71,505	(134,041)	(130,924)
<b>Net worth</b>	<b>85,503</b>	<b>87,297</b>	<b>56,277</b>	<b>45,301</b>
Market Capitalisation	153,973	32,690	153,973	32,690



Our consolidated total income for the year stood at Rs. 108,014 Lakhs compared to Rs. 212,036 Lakhs in the previous year.

The net profit after tax, share of profit from associate, share of profit from joint venture and non-controlling interest stood at Rs. 21,121 Lakhs as against net profit of Rs. 307,108 Lakhs in the previous year.

### **Dividend**

The Board of Directors of your Company has not recommended any dividend for the FY 2023-24

### **Transfer to Reserves**

During FY 2023-24, there are no funds that are required to be transferred to Reserves.

### **Share Capital**

The paid up equity share capital of the Company as on March 31, 2024 is Rs. 157.92 Crore. There was no public issue, rights issue, bonus issue or preferential issue etc., during the year. The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options during the year under review.

### **Management Discussion and Analysis**

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this Annual Report.

### **Corporate Governance**

As in the past, your Company continues to follow best of Corporate Governance policies. As stipulated under the requirements of the Listing Regulations, a report on Corporate Governance is appended for the information of the Members. A Certificate from Mr. G Narender, a Practicing Company Secretary confirming compliance with the conditions of the Corporate Governance is annexed to the Directors Report.

### **Subsidiaries and Consolidated Financial Statements**

As on March 31, 2024 your Company has 7 direct Subsidiaries, 8 step down subsidiaries as per Companies Act, 2013.

During the period under review, GVK Airports International PTE LTD, the wholly owned subsidiary of the Company have been struck off from the register of Accounting and Corporate Regulatory Authority of Singapore with effect from 4th September, 2023, accordingly it is no more the subsidiary of the company

### **Scheme of Amalgamation**

On 31-03-2022, the Company had duly filed all the requisite documents with NCLT, Hyderabad Bench for its approval to a Scheme of Amalgamation for amalgamation of the following companies with GVK Power & Infrastructure Limited.

- A. GVK Airport Services Pvt Ltd
- B. GVK Power (Khadur Sahib) Pvt Ltd
- C. GVK Shivpuri Dewas Expressway Pvt Ltd.
- D. Sutara Roads & Infra Ltd

Further, due to the inordinate delay that has taken place in getting NCLT approvals for the said scheme, it was decided to withdraw the scheme and the withdrawal decision has been communicated to NCLT.

During the year, there has been no material change in the nature of the business of the Company. Details of the subsidiaries of the Company and their business operations during the year under review are covered in the Management Discussion and Analysis Report.

A statement containing salient features of the financial statement of these companies as required to be provided under section 129(3) of the Act, are enclosed herewith in the specified form, as Annexure A. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. Any member intends to have a certified copy of the Balance Sheet and other financial statements of these subsidiaries may write to the Company Secretary. These documents are available for inspection during business hours at the registered office of the Company and that of the respective subsidiary companies. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: [https://www.gvk.com/files/investorrelations/investors/corpgovernance/policy\\_for\\_determining\\_material\\_subsidaries\\_gvk\\_pil.pdf](https://www.gvk.com/files/investorrelations/investors/corpgovernance/policy_for_determining_material_subsidaries_gvk_pil.pdf).

### **Directors**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company and Regulation 36(3) of Listing Regulations, 2015, Dr. GVK Reddy, Chairman & Non-executive Director of the Company will retire by rotation at this ensuing Annual General Meeting and being eligible, your Board recommends his re- appointment.

Chairman being a Non-Executive Director, the Board of your Company has an optimum mix of Executive, Non-Executive and Independent Directors which is in compliance with the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015, as amended.

## **GVK Power & Infrastructure Limited**

Further, Mr. Anumolu Rajasekhar, Independent Director of the Company resigned from the Board with effect from 25th April, 2024 and Mr. N Anil Kumar Reddy, Ms Rama Rao & Mr Ilyas Ghulam Hussain Ghouse resigned from the Board with effect from 4th October, 2024

### **Key Managerial Personnel**

During the year under review, Mr. P V Rama Seshu, Company Secretary & Compliance Officer of the Company resigned from the Company with effect from 1st September, 2023 and Mr. T Ravi Prakash has been appointed as Company Secretary and Compliance Officer of the Company from 1st September 2023.

During the year under review, Mr. A Issac George, Whole-time Director & CFO of the Company resigned from the Company with effect from 31st August, 2023 and Mr. Sanjeev Kumar Singh has been appointed as CFO of the Company with effect from 26th September, 2023

### **Declaration by Independent Directors**

Each of the Independent Directors have given a declaration to the Company that they meet the criteria of independence as required under section 149(7) of the Companies Act, 2013 read with amended Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

An exclusive meeting of the Independent Directors of the Company has been held on 27th March, 2024 which was attended by all the Independent Directors. They have reviewed the performance of the non-independent directors and the Board as a whole, performance of chairperson and quality of information to the Board as provided under Schedule IV of the Companies Act, 2013.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have formulated and adopted a policy on appointment / remuneration of directors including criteria for determining qualifications, positive attributes, independence of the Directors and other matters. This policy also covers the performance evaluation of all directors, Board, Committees and Key Managerial Personnel.

The Company has adopted a program on familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of business and the industry in which the Company operates among other things. The same is put up on the website of the Company at the link [https://www.gvk.com/files/investor relations/investors/corpgovernance/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](https://www.gvk.com/files/investor%20relations/investors/corpgovernance/Familiarisation_Programme_for_Independent_Directors.pdf)

### **Evaluation of Board**

Board evaluation is in line with the Corporate Governance Guidelines of the Company. Annual Performance Evaluation was conducted for all directors along with the working of the Board and its Committees. This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations, and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017.

The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance and compensation to whole-time director, etc. Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc. The Nomination & Remuneration Committee and the Board duly evaluates the performance of every director. The Board has received improved ratings on its overall effectiveness, including higher rating on Board communication, relationships and Board Committees. The Board has also noted areas requiring more focus in the future.

### **Policy on Director's Appointment and Remuneration**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013. Salient features of the Remuneration Policy is set out in the Corporate Governance Report. The Remuneration Policy is available on the Company's website at <https://www.gvk.com/files/investorrelations/investors/corpgovernance/Remuneration-Policy.pdf>.

## Board Meetings

During the year 2023-24, Five Board Meetings were held, the details of which are given in the Corporate Governance Report.

## Board Committees

All Committees of the Board of Directors are in line with the provisions of the Companies Act, 2013 and the applicable SEBI (LODR) Regulations, 2015, as amended

## Audit Committee

The Audit Committee as on 31st March 2024 comprises of Mr. Anil Kumar Reddy, Mr. Anumolu Rajasekhar and Ms Rama Rao as members and all of whom are Independent Directors. All the periodic recommendations made by the Audit Committee were accepted by the Board.

## Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2023-24. However, the auditors have qualified their opinion for operating effectiveness over internal financial controls over use of assumptions for analysis for asset impairments.

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibilities Statement, it is hereby confirmed that;

- i) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit or loss of the Company for the said period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts for the financial year ended March 31, 2024 on a "going concern" basis;
- v) they have laid down internal financial controls in the Company that are adequate and were operating effectively and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

## Secretarial Auditors

The Board had appointed Mr. G Narender of Narender & Associates, a firm of Practicing Company Secretaries, to carry out the Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder. The report of the Secretarial Auditor in Form MR-3 is enclosed to this report as **Annexure B**. The Secretarial Auditor Report does not contain any qualification, reservation or adverse remarks.

## Statutory Auditors

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018, amending section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence your Company has not proposed any such a ratification, at the forthcoming AGM.

## Cost Records

Your Company is not required to maintain cost audit records for any of the services of the Company as per Section 148(1) of the Act.

## Management's response on the qualifications made by the Statutory Auditors in their Audit Reports

The Management's response on the qualifications made by the Statutory Auditors in their respective audit report on the Standalone Financial Statements and the Consolidated Financial Statements are appended hereto as **Annexure 1 & 2** to the Board report which were already reported to the stock exchanges and made available to public on 28-05-2024 while announcing the audited financial statements for the FY ended 31-03-2024.

## Particulars of Loans, Guarantees or Investments

Particulars of loans and guarantees given, investments made and securities provided under Section 186 of the Companies Act, 2013 are given under the Notes to the financial statements and forms part of this Annual Report.



### **Contracts and Arrangements with the Related Parties**

All the related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. These transactions are placed before the Audit Committee and the Board for their prior approvals. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on a materiality of related party transactions. The policy on related party transactions is available on our website under the following link <https://www.gvk.com/files/investorrelations/investors/corpgovernance/relatedpartytransactionpolicy.pdf>

The Company has not entered into any transactions with any person or entity belonging to the Promoter / Promoter Group holding 10% or more shareholding in the Company.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed **Form AOC-2**, is appended as **Annexure C** to the Board's report.

### **Annual Return**

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company as on 31st March, 2024 is available on the Company's website and can be accessed at [www.gvk.com](http://www.gvk.com)

### **Internal Financial Control Systems and their adequacy**

The Management continuously reviews the internal control systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the audit on regular basis and the Audit Committee periodically reviews internal audit reports and effectiveness of internal control systems.

### **Public Deposits**

During the year under review, your Company has neither invited nor accepted any deposits from the public.

### **Vigil Mechanism/Whistle Blower Policy**

In terms of section 177(9) & (10) of the Companies Act, 2013 read with Regulation 22 of the Listing Regulation a Vigil Mechanism for Directors and employees to report genuine concerns has been established by the Board along with the whistle blower policy. The Vigil Mechanism and whistle blower policy have been uploaded on the website of the Company. The same can be accessed at the link <https://www.gvk.com/files/investorrelations/investors/corpgovernance/Whistle-Blower-Policy.pdf>

Under this policy, your Company encourages its employees to report any fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. The Audit Committee periodically reviews the functioning of this mechanism. No personnel of the Company was denied access to the Audit Committee.

### **Corporate Social Responsibility**

Since, there are no adequate average net profits during the preceding three financial years, there are no specific funds that are required to be set aside and spent by the Company during the year under review towards CSR obligations. Members can access the CSR Policy on the website of the Company at link [https://www.gvk.com/files/investorrelations/investors/corpgovernance/ CSR\\_Policy\\_final\\_ copy.pdf](https://www.gvk.com/files/investorrelations/investors/corpgovernance/CSR_Policy_final_copy.pdf)

### **Particulars of employees and related disclosures**

During the year under review, none of the employees are in receipt of remuneration which is in excess of the limits as specified in Rules 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.

Disclosures relating to remuneration and other details as required under Section 197(12) read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial personnel) Rules, 2015.

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for financial year 2023-24 (Rs In lakhs)	% Increase in Remuneration in the Financial year 2023-24	Ratio of remuneration of each director/median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Dr. GVK Reddy Chairman	---	---	---	Other than CS (Upto August 31, 2023) and CFO (from September 26, 2023) no other KMP or any Director is being paid any remuneration. Hence not applicable
2.	P V Prasanna Reddy Whole Time Director	---	---	---	
3.	A Issac George (upto August 31, 2023) Whole-time Director & CFO	---	---	---	
4.	Sanjeev Kumar Singh (From September 26, 2023) CFO	87.39	---	---	
5.	P V Rama Seshu (upto August 31, 2023) Company Secretary	58.43	---	---	
4.	T Ravi Prakash (w.e.f. September 1, 2023) Company Secretary	---	---	---	

### Particulars regarding Conservation of energy, Research and Development and Technology Absorption

Details of steps taken by your Company to conserve Energy, Research and Development and Technology Absorption have been disclosed as part of the MD&A Report.

### Foreign exchange earnings and Outgo

In accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013, read with the Rule 5 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Profit and Loss Account.

### Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

### Details of Significant and Material Orders Passed by the regulators/Courts/Tribunals Impacting the Going Concern Status and the Company's Operations in Future

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

### Reporting of frauds by Auditor

During the year under review, neither the statutory auditor nor the secretarial auditor has reported any instance of fraud committed against the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

Further, M/s. T R Chadha & Co LLP, Statutory Auditors of the Company have submitted the Statement on impact of Audit qualification for Standalone and consolidated financials with a disclaimer of opinion

### Information Required under Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013

Your Company has a policy and framework for employees to report sexual harassment complaints at workplace and its process ensures complete anonymity and confidentiality of information. Ethics Committee of the Company monitors the complaints, if any, which are dealt with in compliance of this policy. During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the website of the Company at <https://www.gvk.com/investorrelations/investors/otherdisclosures.aspx>

### Acknowledgements

Your Directors take this opportunity to thank every shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries and associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the Infrastructure industry.

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 14th November, 2024

Dr GVK Reddy  
Non-Executive Chairman

## Holding Company

GVK Power & Infrastructure Limited

## Subsidiaries (As on March 31, 2024)

1. GVK Energy Limited
2. GVK Transportation Private Limited
3. GVK Perambalur SEZ Private Limited
4. GVK Developmental Projects Private Limited
5. GVK Airport Services Private Limited
6. GVK Power (Khadur Sahib) Private Limited
7. GVK Shivpuri Dewas Expressway Private Limited

## Step Down Subsidiaries (As on March 31, 2024)

1. Alaknanda Hydro Power Company Limited
2. GVK Coal (Tokisud) Company Private Limited
3. GVK Ratle Hydro Electric Project Private Limited
4. GVK Jaipur Expressway Limited
5. GVK Deoli Kota Expressway Private Limited
6. GVK Bagodara Vasad Expressway Private Limited
7. PT GVK Services, Indonesia
8. Sutara Roads & Infra Limited



# Annexures

## Annexure A

### FORM NO. AOC-1

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013

Read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

(Rs in lakhs)

Sl. No.	1	2	3	4	5	6	7
Name of the Subsidiary/ Associate Company/ Joint Venture	GVK Energy Ltd	GVK Power (Khadur Sahib) Private Limited	GVK Transportation Pvt Ltd	GVK Perambalur SEZ Pvt Ltd	GVK Developmental Projects Pvt Ltd	GVK Airport Services Pvt Ltd	GVK Shimpuri Dewas Expressway Private Limited
Reporting period for subsidiary concerned, if different from the holding company's reporting period	01-04- 2023 to 31-03- 2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR
Share Capital	1,28,831	1	21,715	1	14,341	19	100
Other Equity #	(67,866)	-	(25,924)	2,102	22,587	72	(100)
Total Assets	1,16,083	24,083.60	85,051	15,214	40,150	97	0
Total Liabilities	55,118	24,083.60	89,260	13,111	3,222	6	0
Investments *	109,054	-	85,030	11,655	51	-	-
Turnover	2,478	-	-	-	-	-	-
Profit before Taxation	1,055	-	(156)	(4)	(39,385)	(0)	(0)
Provision for taxation	12	-	-	-	(29)	(0)	-
Profit after taxation	1,051	-	(156)	100	(39,414)	(0)	(0)
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding	100%	100	100	100	100	100	100

# Including borrowings in the nature of equity

\* Including Deemed Investments

For and on behalf of the Board of Directors

Place : Hyderabad

Date : 14th November, 2024

Dr GVK Reddy

Non-Executive Chairman

## Annexure B

### SECRETARIAL AUDIT REPORT

(As per Form No. MR-3)

For the financial year ended 31-03-2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
M/s GVK Power & Infrastructure Limited  
(CIN: L74999TG2005PLC059013)  
Darshak Chambers, Plot No.32, Ground Floor,  
House No.1-8-303/48/32, Street No.1,  
Penderghast Road, Secunderabad – 500003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. GVK Power & Infrastructure Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

The maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Based on my verification of the M/s. GVK Power & Infrastructure Limited's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s GVK Power & Infrastructure Limited for the financial year ended on 31st March, 2024 according to the provisions of

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6. The Company being an "Ultimate Holding Company" and without any manufacturing/production activities on its own, most of the Labour Laws are not applicable to the company. However, the company is complying with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972.

7. As regards compliance of Environmental Laws, as may be applicable to the company, we state that the company does not have any manufacturing unit since it is a Holding Company. As per the management, the respective subsidiary/associates of the company are complying with the applicable Environmental Laws. Therefore, the company need not comply with any specific Environmental Laws by itself.

We have also examined requisite compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India and found that they have been duly complied by the Company.

During the period under review, the Company has complied with all the relevant provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc.,

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and the SEBI (LODR) Regulations, 2015.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company not entered into / carried out any activity that has major bearing on the Company's affairs.

For NARENDER & ASSOCIATES  
Company Secretaries

G NARENDER  
Proprietor

Place : Hyderabad  
Date : 29th May, 2024

FCS:4898, CoP:5024  
UDIN : F004898F000483002

**Annexure C****FORM NO. AOC-2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

**1. Details of contracts or arrangements or transactions not at Arm's length basis :**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2024, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

(Rs in lakhs)

Name of the related party	Nature of relation ship	Duration of contract	Salient terms	2023-24	2022-23
<b>Nature of Contract:</b>					
<b>Fees for services rendered (Includes Corporate guarantee commission income)</b>					
GVK Jaipur Expressway Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	500	1,000
GVK Energy Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	250	2
GVK Developmental Projects Private Limited	Subsidiary	Not applicable	Business Support Service	7	-
<b>Reimbursement of expenses (Billable expenses)</b>					
GVK Energy Limited	Subsidiary	Not applicable	Business Support Service	8	5
Alaknanda Hydro Power Company Limited	Subsidiary	Not applicable	Business Support Service	21	12
GVK Power (Goindwal Sahib) Limited	Subsidiary	Not applicable	Business Support Service	1	23
GVK Jaipur Expressway Limited	Subsidiary	Not applicable	Business Support Service	4	14
Crescent EPC Projects and Technical Services Limited	Group Company	Not applicable	Business Support Service	2	2
GVK Technical & Consultancy Services Private Limited	Group Company	Not applicable	Business Support Service	12	9
<b>Services received</b>					
TAJ GVK Hotels & Resorts Limited	Group Company	Not applicable	Manpower Service	1	2
Green wood Palaces & Resorts Pvt Ltd	Group Company	Not applicable	Manpower Service	0	2
Alaknanda Hydro Power Company Limited	Subsidiary	Not applicable	Business Support Service	36	0
<b>Rent</b>					
Paigah House Hotels LLP	Group Company	Not applicable	Rent	0	2
<b>Sale of vehicles</b>					
Alaknanda Hydro Power Company Limited	Subsidiary	Not applicable	Sale of vehicles	25	0
<b>Loans/advances given/expenditure incurred on behalf</b>					
GVK Perambalur SEZ Private Limited	Subsidiary	Not applicable	Advance given	7	684
GVK Energy Limited	Subsidiary	Not applicable	Advance given	4275	-
Crescent EPC Projects and Technical Services Limited	Group Company	Not applicable	Advance given	1301	749
<b>Loans/advances recovered</b>					
GVK Energy Limited	Subsidiary	Not applicable	Advance recovered	213	4,800
GVK Jaipur Expressway Limited	Subsidiary	Not applicable	Advance recovered	0	500
<b>Interest income on financial assets</b>					
Crescent EPC Projects and Technical Services Limited	Group Company	One year	Loans & Advance	119	7
GVK Jaipur Expressway Limited	Group Company	Repayable on Demand	Loans & Advance	0	5
<b>Advances and Investments (Including deemed) written off/Fair value loss including provision for impairment</b>					
GVK Airports International Pte. Ltd	Subsidiary	-	Impairment of non-current investments	2284	-
<b>Investments in Equity</b>					
GVK Energy Limited (Purchased from GVK Developmental Projects Pvt Ltd)	Subsidiary	Not applicable	Equity shares	400	-



Name of the related party	Nature of relation ship	Duration of contract	Salient terms	2023-24	2022-23
<b>Loan repaid</b>					
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan repaid	114	278
Sutara Roads & Infra Limited	Subsidiary	One time	Loan repaid	630	35,769
<b>Guarantees released</b>					
GVK Energy Limited	Subsidiary	Not applicable	Not applicable	0	3100
GVK Jaipur Expressway Limited	Subsidiary	Not applicable	Not applicable	0	9,878

\* The above basis of pricing is based on long term contract at a fixed term. Further approval, if any, of the Audit Committee / Board will be taken as and when there are any material changes to these agreed terms.

# Annexure - 1

Consolidated Financials

## ANNEXURE I

### Statement on Impact of Audit Qualifications (for audit report with disclaimer of opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] Rs In Lakhs				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (Audited figures after adjusting for qualifications)
	1.	Turnover / Total income	115,513	115,513
	2.	Total Expenditure	91,496	91,496
	3.	Profit before tax	24,017	24,017
	4.	Earnings Per Share	0.13	0.13
	5.	Total Assets	780,922	780,922
	6.	Total Liabilities	724,645	724,645
	7.	Net Worth	56,277	56,277
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<b>Audit Qualification (each audit qualification separately):</b>  <b>Details of Audit Qualification (Disclaimer of opinion):</b> 1. We draw attention to note 6 to the consolidated financial results which states that as at March 31, 2024, the GVKPIL Group had accumulated losses and the GVKPIL Group has incurred losses excluding exceptional item during preceding years. The GVKPIL Group's current liabilities are significantly in excess of current assets. Three of the subsidiary companies where the project has been terminated are following liquidation basis of accounting. The GVKPIL group has delayed/defaulted in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under the Insolvency and Bankruptcy Code in certain cases. The Resolution professional have also been appointed in certain cases by NCLT. There are various litigations going on in the GVKPIL Group. The GVKPIL Group has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 8, 9, 10(a) and 10(b) (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Deoli Kota Expressway Private Limited), uncertainties are being faced by various projects such as delays / non development of coal mines in an overseas project where the parent Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge, arbitration on delay of commencement of road projects, termination of various projects etc. Various guarantees given by GVKPIL and GVK Energy Limited (GVKEL) on behalf of their subsidiaries, associates and joint controlled entity have been invoked by the lenders. These factors indicate significant doubt on going concern ability of the GVKPIL group. Notwithstanding the above, the financial statements of the GVKPIL Group have been prepared on			





going concern basis as management believes that the GVKPIL Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; will reach an optimal solution with non-controlling shareholders and lenders etc. as required despite current macro-economic environment challenges. Considering the various uncertainties involved as fully described in the Basis of Disclaimer section of our report, the probable impact could be material and pervasive on these consolidated financial results and that may cause significant doubt on company's ability to continue as a going concern. Accordingly, we are unable to comment that the management assumption of preparing these financial results on going concern basis is appropriate.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** First time

**For Audit qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable  
**If management is unable to estimate the impact, reasons for the same:**

Management believes that the GVKPIL Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would be able to win litigations, recover claims and will be able to reach an optimal solution with non-controlling shareholders and lenders etc. as required despite current challenges.

2. We draw attention to Note No 8 to the Consolidated Financial Results regarding GVK Coal Developers (Singapore) Pte. Limited, (GVK Coal Developers) (an associate) in which the GVKPIL Group has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the holding company along with others jointly and severally had given irrevocable and unconditional guarantee and commitments (CG) for loans up to aggregating to USD 1132.45 Million (Rs.9,44,168 Lakhs) (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the finance documents or USD 692.61 Million) taken by the aforesaid associate Company part of which is collateralized by pledge of 155,587,500 (March 31, 2023: 155,587,500), 130,287,382 (March 31, 2023: 130,287,382) and 48,000,000 (March 31, 2023: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11million (Rs.2,593 Lakhs) with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The GVK Coal Developers current liabilities exceeded current assets by USD 2624 million (Rs.21,87,713 Lakhs) as of March, 2024 and accumulated losses as of March, 2024 is USD 1386 million (Rs. 11,55,562 Lakhs) based on audited special purpose consolidated financial statements of GVK Coal Developers (Singapore) Pte. Limited. The GVK Coal Developers lenders filed a claim in the High Court of Justice Business and Property Courts of



## Consolidated Financials

England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal Developers. During the current financial year 2023-24, the England court vide its order dated October 19, 2023 has crystalized the amount payable by the defendants (GVKPIL and other guarantors / stakeholders in GVK Coal Developers) at USD 2.19 billion including the amount towards interest.

As per legal opinion obtained by the Holding company, the order dated 19th October 2023 passed by the England court is not speaking order. It has also been opined that the Order dated 19.10.2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

As per the GVKPIL management, several attempts were made by the company to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement.

The GVK Coal Developers having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal Developers dues.

Further, one of the lenders has filed an application under Section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the GVKPIL (being guarantor for loan taken by GVK Coal Developers) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed the reply. As per the NCLT website, initially final hearing was mentioned as 24.04.2024 but the authority has partly heard the details and next hearing is scheduled on 31.05.2024. As per the GVKPIL management, petition filed by the ICICI Bank against GVKPIL is barred by Section 10A of the Code as the invocation of the Guarantee was admittedly done vide invocation of guarantee dated 02.11.2020 and as such the invocation of the guarantee on GVKPIL falls squarely within the period prescribed by Section 10A of the code. As per Section 10A, no application for initiation of corporate insolvency resolution process can be filed in respect of a default that has occurred on or after 25th March, 2020 till 25th March, 2021. However, as per ICICI Bank petition, the account (GVK Coal Developers) has become NPA with all the lenders around FY 2016-17. The ultimate outcome of the same and the resultant impact of the same on the financial statements is not ascertainable and cannot be commented upon.

GVKPIL is hopeful of achieving one time settlement with the lenders in view of its arrangement with Adani Airport Holdings Limited (AAHL) which is adequately incentivized to find solution with the lenders to get unencumbered ownership over the shares of GVK Airport Developers pledged with the lenders.

While the GVKPIL Group has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79,048 Lakhs, no provision has been made towards the Corporate Guarantee and commitments issued by GVKPIL. Considering the various uncertainties and complexities involved as mentioned above, we are unable to comment on the viability of the GVK Coal project and the additional provision that may be required concerning the aforementioned guarantees and commitments made by the GVKPIL and the resultant impact of the same on these consolidated financial results.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable



**If management is unable to estimate the impact, reasons for the same:**

The company has already made provision of the entire investment and receivables. It has also engaged with lenders and made several attempts to have an amicable solution. In this regard attention is being drawn to the agreement entered on 23<sup>rd</sup> March 2017, wherein a non-binding framework solution was arrived at between the lenders and the company. Subsequently the company has also corresponded and followed up with the lenders to arrive at the amicable settlement. The last communication with the lender was on 12<sup>th</sup> Jan, 2021 wherein a revised offer was made. Any further provision cannot be estimated due to significant uncertainties including fluctuating coal prices, concluding an appropriate solution with various stakeholders by GVK Coal and of settlement with lenders which is typical to such negotiations.

3. We draw attention to Note 9(b) to the consolidated financial results regarding Deconsolidation of assets and liabilities of GVK Power (Goindwal Sahib) Limited ("GVKPGSL"), a step down subsidiary of the Holding Company with effect from 10th October 2022, as the same has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the GVKPGSL. Interim Resolution professional appointed by NCLT had taken possession of all assets of GVKPGSL. Since the GVKPIL Group lost the control over the GVKPGSL, the assets and liabilities of GVKPGSL have been deconsolidated as at October 10, 2022 as required u/s Para 25 of Ind AS 110 Consolidated Financial Statements, which has resulted in a net gain of Rs.343,685 Lakh as disclosed as Exception Items in the Consolidated Financial Results during the year ended 31st March 2023.

During the current financial year 2023-24, the Resolution plan submitted by resolution applicant has been approved by the Hon'ble NCLT Hyderabad vide its order dated 22.12.2023. As per the said order, the secured lenders have received Rs.1,078 crores against their claims of Rs.6,585 Crores. i.e. with a deficit of Rs.5,507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. Lenders through its security trustee (IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1,494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing is fixed on July 10, 2024. No provision has been made by GVKEL against these Corporate Guarantees.

As per GVKPIL management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per GVKPIL management, the liability of the Corporate Guarantor also extinguishes.

The contention of the management is subject to interpretation and there are different judgements on the same. Further, as per the Corporate Guarantee agreement, the liability of the guarantor under this guarantee shall not be affected by:

- Any change in constitution, ownership or corporate existence of the borrower or any absorption, merger, or amalgamation of the borrower with any other company
- Any insolvency, liquidation, bankruptcy or similar situation proceeding in

	<p>respect of the borrower</p> <p>Accordingly, there is an uncertainty on the final outcome of the same and the extent of the liability that may arise in respect of guarantee given by GVKEL is presently not ascertainable. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.</p> <p><b>Type of Audit Qualification:</b> Disclaimer of Opinion  <b>Frequency of qualification:</b> Repetitive  <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  <b>Management's estimation on the impact of audit qualification:</b> Not Applicable  <b>If management is unable to estimate the impact, reasons for the same:</b></p> <p>Management of GVKPIL Group has contested the claim of the lender under the corporate guarantee and is confident that the proceeding instituted by the lender would be rendered infructuous.</p> <p>Hence, the impact of the same is unascertainable.</p> <p>4. We draw attention to Note No. 9(c) to the consolidated financial results as per which GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL has been admitted into Corporate Insolvency Resolution Process (CIRP) during the current financial year 2023-24, i.e on October 20, 2023, based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GVKEL has already provided for an impairment for the full value of investment in GVKGPL of Rs 51,897 Lakh.</p> <p>The GVKEL has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not been invoked by lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GVKEL. This Corporate Guarantee may however be invoked by the Lenders of GVKGPL considering the default therein and Insolvency proceedings undergoing in GVKGPL. In such an eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKGPL is negative. The extent of the liability that may arise in respect of guarantee given is not determinable at present and no provision has been made in this regard in relation to such liability. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.</p> <p><b>Type of Audit Qualification:</b> Disclaimer of Opinion  <b>Frequency of qualification:</b> Repetitive  <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  <b>Management's estimation on the impact of audit qualification:</b> Not Applicable  <b>If management is unable to estimate the impact, reasons for the same:</b></p> <p>GVKGPL has been admitted into Corporate Insolvency Resolution Process (CIRP) during the current financial year 2023-24, i.e on October 20, 2023. The company has already provided for the impairment of its investment. GVKGPL has claims, receivables and project assets which are sufficient to cover the majority of the lenders outstandings.</p> <p>Hence, the impact of the same is unascertainable.</p>
--	---



# Consolidated Financials

5. We draw attention to the following matters disclosed in Note 10(a) to the consolidated financial results regarding the financial statements of GVK Bagodara Vasad Expressway Private Limited (GVKBVEPL), a step-down subsidiary of the holding company:

The project of the GVKBVEPL was terminated by Gujarat State Road Development Corporation (GSRDC) by referring the defaults of the Concessionaire. Consequent to the termination of the project, GVKBVEPL has accounted cost incurred on the project of Rs.58,904 Lakh as amount receivable from the GSRDC as management has represented that the project of the GVKBVEPL was terminated due to the reasons attributable to the GSRDC. GVKBVEPL has disputed the termination notice and invoked Arbitration in terms of provisions of concession agreement. Tribunal having heard arguments of both sides has given a split verdict during the financial year 2023-24, dated 11th August 2023. Two out of three Judges have passed a combined award dated 11th August 2023 of Rs.41,296 Lakhs (Net) in favor of GSRDC and one Judge has passed a dissenting award dated 11th August 2023 of Rs.27,438 Lakhs (Net) in favor of the GVKBVEPL. Considering this split award and based on the facts and legal opinion obtained, the GVKBVEPL has filed an appeal before Commercial Court Ahmedabad and the matter is coming up for hearing on 20.06.2024. As per the management till date no signed order has been served on them. Accordingly, GVKBVEPL has not made any provision on recoverability of Rs.58,904 Lakhs and also with respect to amount decreed to be payable to GSRDC of Rs.41,296 Lakhs. There is an uncertainty on the final outcome of the same and the extent of the liability that may arise in respect of aforesaid matter is presently not ascertainable. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

All the loan accounts are non-performing assets and the GVKBVEPL has received recalled notices from the banks and financial institutions and hence borrowing from the banks and financial intuitions are treated as current borrowings. Balances of borrowings (including interest accrued thereon) from lenders amounting to Rs.940,26 lakhs as at March 31, 2024 as per books of accounts are unconfirmed. In absence of such confirmations, we are unable to comment on the appropriateness of carrying amount of borrowing (along with interest accrued thereon and penal interest/ penal charges) as presented in Consolidated financial statements.

The above issues are reported as Qualification by the auditors as well in the audit report on the standalone financial statements of GVK Bagodara vasad expressway Pvt Ltd, subsidiary of GVKTPL vide their audit report dated April 29, 2024.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

The project of the Company was terminated by GSRDC by referring to the defaults of the Concessionaire. Consequent to the termination of the project, the Company has accounted, cost incurred on the project Rs. 58,904 lakhs as amount receivable from the GSRDC as management has represented that the project of the Company was terminated due to the reasons attributable to the GSRDC. The company has disputed the termination notice and invoked arbitration in terms of the provisions of the concession



## Consolidated Financials

agreement. The signed copy of the order has not been received. The company has filed an appeal before Commercial Court, Ahmedabad on November 20, 2023. Management is confident that GVK has a good case. Hence, the impact of the same is unascertainable.

6. As discussed in detailed in Note 9(f) to the consolidated financial results regarding annulment of settlement by Edelweiss with respect to their loans / NCDs to GVKEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GVKEL of Rs.10 each, recording of exceptional loss of Rs.19,486 lakhs during the year ended March 31, 2023 by GVKEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset, GVKEL liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. Next hearing of the case is scheduled on July 09, 2024.

Due to above mentioned default in the repayment of amount due on Loan / NCDs, ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecip Equities Limited (collectively referred to as "Edelweiss") (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, the company has filed its replies and next hearing of the case is scheduled on July 12, 2024.

Meanwhile, during the current financial year 2023-24, AHPCL, GVKEL and GVKPIL has entered into another settlement agreement with the lenders on October 09, 2023, which requires to pay Rs 330 Crores and simple interest @12.50% pa is payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023. The GVKPIL Group could not comply with the settlement terms and requested for extension of time to Edelweiss and they have extended the time till 30th Jun'2024 with phased payments. On 27th February'24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 200 Crores out of Rs 330 Crores to be paid and Rs.130 Crores to be brought in by GVKPIL group. Till date GVKPIL group has paid an amount of Rs 91.50 Crores out of Rs 130 Crores to be brought in by them. There are delays in payment of this phased amount as well. In case of failure to comply with any of the terms and conditions specified, this settlement shall stand revoked without any notice and the original dues payable by the GVKPIL Group /Borrower shall be reinstated and lender shall be entitled to recover the total dues together with applicable interest. Management has represented that they can make remaining payment and waiting for approval of all lenders of AHPCL. In view of the same, we are unable to comment on the accounting done in this regard in books of account and the ultimate impact of the same including of the invocation of the settlement offer by Edelweiss, invocation of pledged shares of AHCPL by Edelweiss, invocation of corporate guarantee issued by the GVKPIL and GVKEL and impact of the proceedings in the NCLT, if any on the consolidated financial results till the payment of dues as per settlement agreement.

Further, in the light of the above, we are unable to comment upon consequential



Consolidated Financials

	<p>impact, if any, arising out of the same in the accompanying consolidated financial results including with respect to the balance amount of investments, loans and trade receivables of GVKEL aggregating to Rs.94,961 Lakhs in books of GVKPIL.</p> <p><b>Type of Audit Qualification:</b> Disclaimer of Opinion</p> <p><b>Frequency of qualification:</b> Repetitive</p> <p><b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  <b>Management's estimation on the impact of audit qualification:</b> Not Applicable  <b>If management is unable to estimate the impact, reasons for the same:</b></p> <p>Management confident that the settlement with the lender will be successfully completed. Hence, there is no impact.</p> <p>7. As discussed in detailed in Note 9(a) to the Consolidated Financial Results regarding GVK Coal (Tokisud) Private Limited ("GVKCTPL"), a step-down subsidiary of the Holding Company. The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVKCTPL, a subsidiary company of GVKEL and mine operator was offered a compensation by the Nominated Authority of Rs.11,129 Lakhs as against carrying value of assets of Rs.31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09,2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed with regard to R&amp;R costs. The GVKCTPL has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 20, 2024.</p> <p>The GVKEL, holding company, has given corporate guarantee for the loan taken by the GVKCTPL for which no provision has been made at present considering the uncertainties. In the light of the above, we are unable to comment on the recoverability of assets with carrying value of Rs.6,015 Lakhs and the liability to be provided towards the Corporate Guarantee issued together with consequential impact, if any, arising out of the same in these accompanying consolidated financial results.</p> <p><b>Type of Audit Qualification:</b> Disclaimer of Opinion</p> <p><b>Frequency of qualification:</b> Repetitive</p> <p><b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>Management's estimation on the impact of audit qualification:</b> Not Applicable  <b>If management is unable to estimate the impact, reasons for the same:</b></p>
--	---



The Hon'ble Supreme Court of India had deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, GVK Coal (Tokisud) Private Limited has submitted its claim for an amount Rs. 19,882 lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Including the above amount of Rs 4,984 lakhs, a total of Rs 23,761 lakhs, being the due on vesting date has been paid to lenders. The company has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for a claim of Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 22, 2023.

Hence, the impact of the same is unascertainable.

8. We draw attention to the note 10 (b) which states that the GVK Deoli Kota Expressway Private Limited (GVK DKEPL), a wholly owned step-down subsidiary of the parent company on June 25, 2019, has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway.

On September 12, 2019, NHAI issued a termination notice as per clause 37.2.1 of the Concession Agreement for non-fulfillment of the obligation as stated in the Concession Agreement by Concessionaire. NHAI by virtue of this notice, is deemed to have taken possession and control of the project highway along with all the equipment on or at site. After this termination notice toll plaza is deemed to have been transferred to NHAI and from September 16, 2019, onwards NHAI started collecting the toll on the project highway.

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defense and next cross examining the witness of NHAI is scheduled on July 29, 2024.

GVK DKEPL has defaulted in repayment of principal amount and payment of interest on such term loans taken from consortium of banks and financial intuitions. As a result, the lenders have classified the term loan as non-performing asset and have recalled the entire facilities extended to the company. As result of that, the term loans have become repayable on demand, Company has not received borrowing statements and confirmation of borrowing balances from lenders. Accordingly, we are not in a position to comment on the interest not accounted etc.. and the impact of the same on the consolidated financial results.

The Concession Agreement being the sole agreement executed by the Company, termination of the same has now resulted into liquidation basis of accounting which has been adopted in preparation of these financial statements of GVK DKEPL. The company has recorded receivable from NHAI after setting off toll assets and other related future liabilities, which is subject to decision and process of arbitration between Company and NHAI.



## Consolidated Financials

GVK DKEPL based on its internal assessment is confident that it will be able to recover the balance amount spent on the project till date including its various claims and accordingly the management believes that it is appropriate to recognize total assets aggregating to Rs.44,008 lakh; comprising Rs.43,637 lakh as Other Non-Current assets, Rs.9 lakh as Property Plant & Equipment and Rs 362 Lakh as the Current Assets on December 31,2023 (Rs.44,008 lakh as on March 31,2023) at carrying value in the financial statements. Considering the litigation and uncertainties, we are not in a position to comment on the recoverability of these assets as well as claims made by respective parties.

The auditors of GVKDEPL have given an EOM in this regard in their audit report dated 29th April 2024.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** First time

**For Audit Qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

Management is confident that it will be able to recover the claim amount from NHAI. The matter is sub-judice before Hon'ble Arbitral Tribunal.

Hence, the impact of the same is unascertainable.

9. Note 13 to the consolidated financial results regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the holding company by us including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against Mumbai International Airport Limited (MIAL), Vice Chairman & erstwhile CFO of the Holding Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the chargesheet has been taken and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated and no offence u/s section 420 IPC is made out as there is no loss to AAI, Government, or any Tax Authorities as alleged.

In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering

## Consolidated Financials

Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the unrelaid documents and unrelaid statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on 27.06.2024.

The Audit Committee of the Holding Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings with cases related to CBI and ED, the implications, if any, that may arise on the GVKPIL group can't be ascertained and the impact if any of the same on the consolidated financial results cannot be commented upon.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable







**If management is unable to estimate the impact, reasons for the same:**

Investigations by various agencies are completed and charge sheet filed. The ultimate outcome is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.

10. We draw attention to Note 12 to the consolidated financial results regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company. GVK SEZ has Investment Property having book value of Rs.11,655 Lakh as on 31st March 2024. GVK SEZ stood as a Guarantor and mortgaged its land having book value as mentioned above (admeasuring 2,506.25 Acres) to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVKPIL (the Holding Company). GVKPIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, Canara bank has not issued a no due certificate and has not returned the original title documents by exercising the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVKPIL. GVKPIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian Contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on March 31, 2024, the status remains the same. The matter is under litigation. Pending these litigations, the impact of the same on the GVKPIL Group is not determinable.



	<p><b>Type of Audit Qualification:</b> Disclaimer of Opinion</p> <p><b>Frequency of qualification:</b> First time</p> <p><b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>Management's estimation on the impact of audit qualification:</b> Not Applicable  <b>If management is unable to estimate the impact, reasons for the same:</b></p> <p>At present the matter is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.</p>
--	--

III.	<b>For GVK Power and Infrastructure Limited</b>	
	 <b>P. V .Prasanna Reddy</b> Whole Time Director	 <b>N. Anil Kumar Reddy</b> Audit Committee Chairman
	<b>For T R Chadha &amp; Co LLP</b> Chartered Accountants Firm registration number: 006711N/N500028  <b>Sheshu Samudrala</b> Partner Membership No. 235031 <b>Place:</b> Hyderabad <b>Date:</b> May 28, 2024	 <b>Sanjeev Kumar Singh</b> CFO
		



## Annexure - 2

Standalone Financials

**ANNEXURE I****Statement on Impact of Audit Qualifications (for audit report with disclaimer of opinion) submitted along-with Annual Audited Financial Results - (Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] Rs In Lac				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (Audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,968	1,968
	2.	Total Expenditure	3,419	3,419
	3.	Profit Before Tax	(1,451)	(1,451)
	4.	Earnings Per Share	(0.11)	(0.11)
	5.	Total Assets	263,959	263,959
	6.	Total Liabilities	178,456	178,456
	7.	Net Worth	85,503	85,503
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

**Audit qualification (each audit qualification separately):****Details of Audit Qualification (Disclaimer of opinion):****II.**

1. We draw attention to note 6 to the standalone financial results which states that as at March 31, 2024, the company, its subsidiaries, associates and Joint Control Entity has incurred losses excluding exceptional item during preceding years. The Company's current liabilities are significantly in excess of current assets. Three of the subsidiary companies where the project has been terminated are following liquidation basis of accounting. The subsidiaries, associates and Joint Control Entity have delayed/defaulted in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/lenders including recall of loans /filing of cases under the Insolvency and Bankruptcy Code in certain cases. The Resolution professional have also been appointed in certain subsidiaries/joint control entities by NCLT. There are various litigations going on in the GVKPIL. The GVKPIL has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 8 and 9 (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited) uncertainties are being faced by various projects such as delays / non development of coal mines in an overseas project where the Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge etc. Various guarantees given by GVKPIL and GVK Energy Limited (GVKEL) on behalf of their

## Standalone Financials

subsidiaries, associates and joint controlled entity have been invoked by the lenders. These factors indicate significant doubt on going concern ability of the GVKPIL. Notwithstanding the above, the financial statements of the GVKPIL have been prepared on going concern basis as management believes that the GVKPIL would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; will reach an optimal solution with non-controlling shareholders and lenders etc. as required despite current macro-economic environment challenges. Considering the various uncertainties involved as fully described in the Basis of Disclaimer section of our report, the probable impact could be material and pervasive on these standalone financial results and that may cause significant doubt on company's ability to continue as a going concern. Accordingly, we are unable to comment that the management assumption of preparing these financial results on going concern basis is appropriate.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** First time

**For Audit qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

Management believes that the GVKPIL Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would be able to win litigations, recover claims and will be able to reach an optimal solution with non-controlling shareholders and lenders etc. as required despite current challenges.

2. We draw attention to Note No 8 to the standalone financial results regarding GVK Coal Developers (Singapore) Pte. Limited, (GVK Coal Developers) (an associate) in which the GVKPIL has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the company along with others jointly and severally had given irrevocable and unconditional guarantee and commitments for loans aggregating to USD 1132.45 Million (Rs.9,44,168 Lakhs) (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the finance documents or USD 692.61 Million) taken by the aforesaid associate Company part of which is collateralized by pledge of 155,587,500 (March 31, 2023: 155,587,500), 130,287,382 (March 31, 2023: 130,287,382) and 48,000,000 (March 31, 2023: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11million (Rs.2,593 Lakhs) with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The GVK Coal Developers current liabilities exceeded current assets by USD 2624 million (Rs.21,87,713 Lakhs) as of March, 2024 and accumulated losses as of March, 2024 is USD 1386 million (Rs. 11,55,562 Lakhs) based on audited special purpose consolidated financial statements of GVK Coal Developers (Singapore) Pte. Limited. The GVK Coal Developers lenders filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09



## Standalone Financials

2020 and have sought to recover the amounts advanced to GVK Coal Developers. During the current financial year 2023-24, the England court vide its order dated October 19, 2023 has crystalized the amount payable by the defendants (GVKPIL and other guarantors / stakeholders in GVK Coal Developers) at USD 2.19 billion including the amount towards interest.

As per legal opinion obtained by the company, the order dated 19th October 2023 passed by the England court is not speaking order. It has also been opined that the Order dated 19.10.2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

As per the GVKPIL management, several attempts were made by the company to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement.

The GVK Coal Developers having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal Developers dues.

Further, one of the lenders has filed an application under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the GVKPIL (being guarantor for loan taken by GVK Coal Developers) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed the reply. As per the NCLT website, initially final hearing was mentioned as 24.04.2024 but the authority has partly heard the details and next hearing is scheduled on 31.05.2024.

As per the GVKPIL management, petition filed by the ICICI Bank against GVKPIL is barred by Section 10A of the Code as the invocation of the Guarantee was admittedly done vide invocation of guarantee dated 02.11.2020 and as such the invocation of the guarantee on GVKPIL falls squarely within the period prescribed by Section 10A of the code. As per Section 10A, no application for initiation of corporate insolvency resolution process can be filed in respect of a default that has occurred on or after 25th March 2020 till 25th March, 2021. However, as per ICICI Bank petition, the account (GVK Coal Developers) has become NPA with all the lenders around FY 2016-17. The ultimate outcome of the same and the resultant impact of the same on the financial statements is not ascertainable and cannot be commented upon.

GVKPIL is hopeful of achieving one time settlement with the lenders in view of its arrangement with Adani Airport Holdings Limited (AAHL) which is adequately incentivized to find solution with the lenders to get unencumbered ownership over the shares of GVK Airport Developers pledged with the lenders.

While the GVKPIL has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79,048 Lakhs, no provision has been made towards the Corporate Guarantee issued by GVKPIL. Considering the various uncertainties and complexities involved as mentioned above, we are unable to comment on the viability of the GVK Coal project and the additional provision that may be required concerning the aforementioned guarantees and commitments made by the GVKPIL and the resultant impact of the same on these standalone financial results.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:**  
**Management's estimation on the impact of audit qualification:** Not Applicable  
**If management is unable to estimate the impact, reasons for the same:**

The company has already made provision of the entire investment and receivables. It has also engaged with lenders and made several attempts to have an amicable solution. In



# Standalone Financials

this regard attention is being drawn to the agreement entered on 23<sup>rd</sup> March 2017, wherein a non-binding framework solution was arrived at between the lenders and the company. Subsequently the company has also corresponded and followed up with the lenders to arrive at the amicable settlement. The last communication with the lender was on 12<sup>th</sup> Jan, 2021 wherein a revised offer was made. Any further provision cannot be estimated due to significant uncertainties including fluctuating coal prices, concluding an appropriate solution with various stakeholders by GVK Coal and of settlement with lenders which is typical to such negotiations.

3. The company (GVKPIL) has subsidiary company GVK Energy limited (GVKEL). The company assessed based on the valuation carried out and other relevant factors, no provision is considered necessary in standalone books of accounts of GVKPIL towards the carrying value of investment in GVKEL of Rs 841.20 Crores and Loan and trade receivables of Rs.108.41 Crores though certain subsidiaries and joint ventures of GVKEL are facing uncertainties, detailed as below:

- a) We draw attention to Note 9(b) to the standalone financial results regarding Deconsolidation of assets and liabilities of GVK Power (Goindwal Sahib) Limited ("GVKPGSL"), a step down subsidiary of GVKPIL with effect from 10th October 2022, as the same has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the GVKPGSL. Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKPGSL.

During the current financial year 2023-24, the Resolution plan submitted by resolution applicant has been approved by the Hon'ble NCLT Hyderabad vide its order dated 22.12.2023. As per the said order, the secured lenders have received Rs.1,078 crores against their claims of Rs.6,585 Crores. i.e. with a deficit of Rs.5,507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. Lenders through its security trustee (IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1,494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing is fixed on July 10, 2024. No provision has been made by GVKEL against these Corporate Guarantees.

As per GVKPIL management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per the GVKPIL management, the liability of the Corporate Guarantor also extinguishes.

The contention of the management is subject to interpretation and there are different judgements on the same. Further, as per the Corporate Guarantee agreement, the liability of the guarantor under this guarantee shall not be affected by:

- Any change in constitution, ownership or corporate existence of the borrower or any absorption, merger, or amalgamation of the borrower with any other company
- Any insolvency, liquidation, bankruptcy or similar situation proceeding in respect of the borrower

Accordingly, there is an uncertainty on the final outcome of the same and the



## Standalone Financials

extent of the liability that may arise in respect of guarantee given by GVKEL is presently not ascertainable. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying standalone financial results.

- b) We draw attention to Note No. 9(c) to the standalone financial results as per which GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL has been admitted into Corporate Insolvency Resolution Process (CIRP) during the current financial year 2023-24, i.e on October 20, 2023, based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GVKEL has already provided for an impairment for the full value of investment in GVKGPL of Rs 51,897 Lakh.

The GVKEL has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not been invoked by lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GVKEL. This Corporate Guarantee may however be invoked by the Lenders of GVKGPL considering the default therein and Insolvency proceedings undergoing in GVKGPL. In such an eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKGPL is negative. The extent of the liability that may arise in respect of guarantee given is not determinable at present and no provision has been made in this regard in relation to such liability.

In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying standalone financial results.

- c) As discussed in detailed in Note 9(f) to the standalone financial results regarding annulment of settlement by Edelweiss with respect to their loans / NCDs to GVKEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GVKEL of Rs.10 each, recording of exceptional loss of Rs.19,486 lakhs during the year ended March 31, 2023 by GVKEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset, GVKEL liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. Next hearing of the case is scheduled on July 09, 2024.

Due to above mentioned default in the repayment of amount due on Loan / NCDs, ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss") (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, the company has filed its replies and next hearing of the case is scheduled on July 12, 2024.

Meanwhile, during the current financial year 2023-24, AHPCL, GVKEL and GVKPIL has entered into another settlement agreement with the lenders on



## Standalone Financials

October 09, 2023, which requires to pay Rs 330 Crores and simple interest @12.50% pa is payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023. The GVKPIL Group could not comply with the settlement terms and requested for extension of time to Edelweiss and they have extended the time till 30th Jun'2024 with phased payments. On 27th February'24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 200 Crores out of Rs 330 Crores to be paid and Rs.130 Crores to be brought in by GVKPIL group. Till date GVKPIL group has paid an amount of Rs 91.5 Crores out of Rs 130 Crores to be brought in by them. There are delays in payment of this phased amount as well. In case of failure to comply with any of the terms and conditions specified, this settlement shall stand revoked without any notice and the original dues payable by the GVKPIL Group /Borrower shall be reinstated and lender shall be entitled to recover the total dues together with applicable interest. Management has represented that they can make remaining payment and waiting for approval of all lenders of AHPCL. In view of the same, we are unable to comment on the accounting done in this regard in books of account and the ultimate impact of the same including of the invocation of the settlement offer by Edelweiss, invocation of pledged shares of AHCPL by Edelweiss, invocation of corporate guarantee issued by the GVKPIL and GVKEL and impact of the proceedings in the NCLT, if any on the standalone financial results till the payment of dues as per settlement agreement.

Further, in the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying standalone financial results with respect to the balance amount of investments, loans and trade receivables of GVKEL, aggregating to Rs.94,961 Lakhs in the books of GVKPIL.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

Management is in the process of negotiating the terms with lenders for restructuring of loan accounts, one-time settlements, and is also negotiating with the regulatory authorities for various approvals. Management is confident that it will be able to settle the matters amicably and ultimately able to achieve profitable operations. Pending resolution of the above uncertainties, currently the impact of the same is unascertainable.

4. Note 13 to the standalone financial results regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the company by us including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against Mumbai International Airport Limited (MIAL), Vice Chairman & erstwhile CFO of the Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the chargesheet has been taken again and accused persons have been summoned. However, the said order has been currently stayed by the Ld.



## Standalone Financials

Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated and no offence u/s section 420 IPC has been made out as there is no loss to AAI, Government, or any Tax Authorities as alleged.

In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the unrelid documents and unrelid statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on 27.06.2024.

The Audit Committee of the Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings with cases related to CBI and ED, the implications, if any, that may arise on the GVKPIL can't be ascertained and the impact if any of the same on the standalone financial results cannot be commented upon.

**Type of Audit Qualification:** Disclaimer of Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable



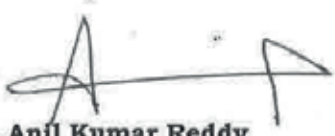
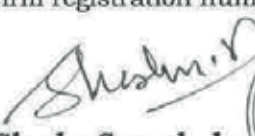



**If management is unable to estimate the impact, reasons for the same:**

Investigations by various agencies are completed and charge sheets filed. The ultimate outcome is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.

5. We draw attention to Note 12 to the standalone financial results regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company. GVK SEZ has Investment Property having book value of Rs.11,655 Lakh as on 31st March 2024. GVK SEZ stood as a Guarantor and mortgaged its land having book value as mentioned above (admeasuring 2,506.25 Acres) to Syndicate Bank (since merged with Canara Bank) on account of loans taken by GVKPIL. GVKPIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, Canara bank has not issued a no due certificate and has not returned the original title documents by exercising the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVKPIL. GVKPIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian Contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of

**Standalone Financials**

	<p>Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on March 31, 2024, the status remains the same. The matter is under litigation. Pending these litigations, the recoverability of the investments made by GVKPIL in GVKSEZ of Rs.10,920 Lakhs is not determinable.</p> <p><b>Type of Audit Qualification:</b> Disclaimer of Opinion</p> <p><b>Frequency of qualification:</b> First time</p> <p><b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>Management's estimation on the impact of audit qualification:</b> Not Applicable  <b>If management is unable to estimate the impact, reasons for the same:</b></p> <p>At present the matter is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.</p>
--	--

III.	<b>For GVK Power and Infrastructure Limited</b>	
	 <b>P. V. Prasanna Reddy</b> Whole Time Director	  <b>N. Anil Kumar Reddy</b> Audit Committee Chairman
	<b>For T R Chadha &amp; Co LLP</b> Chartered Accountants Firm registration number: 006711N/N500028  <b>Sheshu Samudrala</b> Partner Membership No. 235031 <b>Place:</b> Hyderabad <b>Date:</b> May 28, 2024	  <b>Sanjeev Kumar Singh</b> CFO 

# Report on Corporate Governance

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015 (Listing Regulations, 2015) the Company is providing below report on the matters as mentioned in the said Regulation and practices followed by the Company.

## Philosophy of the Company on the code of governance

The Company aims at achieving transparency, accountability and equity in all facets of its operations, and in its interactions with stakeholders, including shareholders, employees, government, lenders and other constituents, while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

The Company believes that all its operations and actions must result in enhancement of the overall shareholders value in terms of maximizing shareholders' benefits, over a sustained period of time.

## Board of Directors

### Size and composition of the Board

The Board is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The total strength of the Board as on March 31, 2024 is 7 (Seven) Directors comprising of Two Promoter Directors, Four Independent Directors and One Non-Independent Directors. Among the Directors, One is Executive (whole time) Director and six are Non-executive Directors as on March 31, 2024. The Board periodically evaluates the need for increasing or decreasing its size. All the Independent Directors on the Board fulfil the conditions specified in the Companies Act and the Rules made thereunder and the Listing Regulations and are independent of the Management. Following is the composition of our Board and their number of directorships in other companies as on March 31, 2024.

Name of the Director & DIN Number	Category	Number of Directorship in other Public Companies	Number of Committee positions held in other Public Companies *		Directorship in other listed entities as on March 31, 2024 (Category of Directorship)
			Member	Chairman	
Dr. GVK Reddy (00005212)	Non- Executive Chairman Promoter	1	-	-	Taj GVK Hotels & Resorts Limited (Non-Executive Chairman)
G V Sanjay Reddy (00005282)	Non- Executive Vice Chairman Promoter	4	2	-	---
P V Prasanna Reddy (01259482)	Executive Non-Independent	2	1	-	---
@ A Issac George (00005456)	Executive Non-Independent	7	3	-	---
Ms Rama Rao (03207492)	Non-Executive Independent	4	2	-	---
Anumolu Rajasekhar (01235041)	Non-Executive Independent	1	3	-	Taj GVK Hotels & Resorts Limited (Independent Director)
Anil Kumar Reddy Nukalapati (00017586)	Non-Executive Independent	1	1	2	Taj GVK Hotels & Resorts Limited (Independent Director)
Ilyas Ghulam Hussain Ghouse ** (07480760)	Non-Executive Independent	4	1	4	---

@ Ceased to be Whole-time Director and CFO from 01-09-2023

\*includes Audit Committee (AC), Stakeholders Relationship Committee (SRC), Nomination & Remuneration Committee (NRC) and Corporate Social Responsibility Committee (CSR) of other Public Limited Companies.

Except Promoter Directors (viz. Dr. GVK Reddy and Mr. GV Sanjay Reddy), none of the Directors are related to each other.

None of the directors is;

- a board member in more than ten public limited companies or eight listed companies.
- a member in more than ten committees; and
- acting as a chairman in more than five committees across all companies in which he is a director.

## Certificate from Company Secretary in Practice

Mr. G Narender of Narender & Associates, Practicing Company Secretaries has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authorities. A certificate to that effect is enclosed to this report.



### Board Meetings held during the Year

The Board of Directors met five times during the year on 26th May, 2023, 11th August, 2023, 21st September, 2023 10th November, 2023 and 14th February, 2024.

### Directors Attendance and Sitting fee paid

Given in the table below is the Board Meeting attendance record of the directors during the year 2023-24.

Name of the Director	No. of meetings held	No. of meetings attended	Sitting Fees Paid (Rs.)	Presence at last AGM
Dr. GVK Reddy	5	5	100000	Yes
G V Sanjay Reddy	5	4	80000	Yes
A Issac George @	5	2	Nil	Yes
P V Prasanna Reddy	5	5	Nil	Yes
Anumolu Rajasekhar	5	5	100000	Yes
Anil Kumar Reddy Nukalapati	5	5	100000	Yes
Ilyas Ghulam Hussain Ghouse	5	4	80000	Yes
Ms. Rama Rao	5	5	100000	Yes

@ Ceased to be Whole-time Director and CFO from 01-09-2023

### No. of shares held by Non-Executive Directors

The details of Shareholdings of the Non-Executive Directors in the Company as at March 31, 2024 are as follows:

Name	No. of Shares
Dr. GVK Reddy	6,81,09,487 (4.31%)
Mr. G V Sanjay Reddy	5,57,25,951 (3.53%)
Mr. Ilyas Ghulam Hussain Ghouse	Nil
Mr. A Rajasekhar	Nil
Ms. Rama Rao	Nil

### Familiarization program to Independent Directors

The Company has adopted a program on familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of business and the industry in which the Company operates among other things. The same is put up on the website of the company at the link [https://www.gvk.com/files/investorrelations/investors/corpgovernance/familiarisation\\_programme\\_for\\_independent\\_directors.pdf](https://www.gvk.com/files/investorrelations/investors/corpgovernance/familiarisation_programme_for_independent_directors.pdf)

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with Members of the Board:

Area	Skill / expertise / competencies	Experts in Board
Infrastructure Business	Understanding the business dynamics across geographical markets, industry verticals and concerned regulatory jurisdictions.	Dr. GVK Reddy Mr. G V Sanjay Reddy
Strategy and Planning	Long-term and strategic planning, business principles and experience in guiding and leading management teams to make decisions in uncertain environments.	Dr. GVK Reddy Mr. G V Sanjay Reddy Mr. P V Prasanna Reddy Mr. A Issac George
Governance	Developing governance practices, serving the best interests of all the stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.	Mr. Anil Kumar Reddy Mr. A Rajasekhar
Regulatory	Dealing with various regulatory authorities	Mr. G V Sanjay Reddy Mr. A Issac George Mr. Ilyas Ghulam Hussain Ghouse

## GVK Power & Infrastructure Limited

Brief details of Directors seeking appointment and re-appointment at this Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

<b>Name of the Director</b>	<b>Dr GVK Reddy</b>
Initial date of Appointment	16th February, 2005
DIN	00005212
Date of Birth	22nd March, 1937
Qualifications	Bachelor's Degree in Arts
Brief resume and expertise in specific functional Areas	Dr. GVK Reddy is the Founder Chairman of "GVK". He has been awarded a Doctorate in Philosophy from the Jawaharlal Nehru Technological University.  He has been conferred with the "Padma Bhushan" award from the Government of India in the category of Trade and Industry on 25th January, 2011. He is a first generation industrialist and the founder of the GVK Group which has businesses in the energy, urban infrastructure, transportation, particle boards, hospitality, petrochemicals, bio-technology and finance sectors. His career spanning the last 52 years started with his involvement in the construction of major infrastructure projects for the Government such as dams, powerhouses, irrigation canals, bridges, roads, aqueducts and under tunnels.
Relationship with other Directors and other Key Managerial Personnel of the Company	Mr. G V Sanjay Reddy
Names of listed entities in which the person also holds directorships and membership of the Committees of the Board	Taj GVK Hotels & Resorts Limited
Names of the listed entities from which the Director has resigned in the past three years.	Nil
Nature of appointment (Appointment/ reappointment)	Re-appointment
Terms and Conditions of appointment/ reappointment	Re-appointment as Non-executive director of the Company
Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Sitting fees is being paid, the details are given in Corporate Governance Report
Shareholding in the Company	6,81,09,487 Equity shares
The number of Meetings of the Board attended during the year	Five (5)
List of Companies in which outside Directorship held as on 31.03.2024 (Companies registered in India)	Crescent EPC Projects & Technical Services Limited GVK Natural Resources Private Limited Cygnus Real Estates Private Limited Novopan Industries Private Limited Green Woods Palaces And Resorts Private Limited GVK Properties and Management Company Private Limited GVK City Private Limited
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2024*	Nil

\* Includes Audit Committee (AC), Stakeholders Relationship Committee (SRC), Nomination & Remuneration Committee (NRC) and Corporate Social Responsibility Committee (CSR).

## Audit Committee

The Audit Committee constituted by the Board comprised of only Non-Executive and Independent Directors. The committee met four times during the year on 26th May, 2023, 11th August, 2023, 10th November, 2023 and 14th February, 2024. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
N Anil Kumar Reddy	Chairman	4	4
A Rajasekhar	Member	4	4
Ms. Rama Rao	Member	4	4

## The terms of reference as stipulated by the Board to the Audit Committee include:

- Review of the Company's financial reporting process and disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and recommending payment for any other services.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on
  - Changes in accounting policies and practices
  - Major accounting entries involving estimates based on the exercise of judgment by the management

- (iii) Qualifications in the draft audit report
- (iv) Significant adjustments arising out of audit
- (v) The going concern assumption
- (vi) Compliance with accounting standards
- (vii) Compliance with stock exchange and legal requirements concerning financial statements
- (viii) Disclosure of any related party transactions
- d) Reviewing with the management, the external and internal auditors the adequacy of internal control systems.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Discussion with internal auditors of any significant findings and follow up there on.
- g) Reviewing with the management, the external and internal auditors the adequacy of internal control systems.
- h) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- i) Discussion with internal auditors of any significant findings and follow up there on.
- j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- k) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee constituted by the Board comprises of majority of Non-Executive Independent Directors. The committee during the year met on 25th May, 2023, 10th August, 2023 and 25th September, 2023. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
Ilyas Ghulam Hussain Ghouse	Chairman	3	3
Anumolu Rajasekhar	Member	3	3
Rama Rao	Member	3	3

### The terms of reference of Nomination & Remuneration Committee include:

The committee has been constituted to recommend/review the remuneration package of the Managing/Whole-Time Directors, Key Managerial Personnel and other senior executive's one level below the Board, apart from deciding other matters such as framing and implementation of stock option plans to employees, etc. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the performance evaluation of the Independent Directors was carried out by the entire Board.

### Remuneration to Directors

Remuneration to Executive / Non-Executive Directors:

- a. The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive / Non-Executive Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.
- b. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.
- c. Except sitting fees, none of the directors are being paid any other form of remuneration.

### Pecuniary transactions with Non-Executive Directors

There were no pecuniary transactions with any of the Non-Executive Directors except for Sitting Fees paid to them as Directors of the Company.

### Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of following three Directors and the majority of whom are Non-Executive Independent Directors

- Ilyas Ghouse - Chairman
- A Rajasekhar - Member
- Rama Rao - Member

The Stakeholders Relationship Committee met on 27th March, 2024 and reviewed the shareholders grievances on suspension of trading in securities of the Company amongst other related issues.

## GVK Power & Infrastructure Limited

Details of complaints received / resolved during the financial year 2023-24

Nature of Complaint	Received	Resolved	Pending
For Non-receipt of			
- Dividend Warrant	3	3	0
- Annual Report	25	25	0
- Electronic credit /Share Certificate	17	17	0
<b>Total</b>	<b>45</b>	<b>45</b>	<b>0</b>

## Ethics & Compliance Committee

The Board has re-constituted the Ethics & Compliance Committee of the Company vide its circular resolution dated April 23, 2019 to best Corporate Governance Practices and the applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and amended regulations of SEBI (Prevention of Insider Trading Regulations), 2015.

This Committee comprises of the following Non-Executive Independent Directors.

Mr. Ilyas Ghouse	- Member
Ms. Rama Rao	- Member
Mr. A Rajasekhar	- Member

The Company has a Code of Conduct for Prevention of Insider Trading as prescribed by the Securities and Exchange Board of India. The Committee monitors the implementation of the Code and takes on record the status reports detailing the dealings in securities by the Eligible Persons.

Mr. T Ravi Prakash, Company Secretary of the Company has been designated as the Compliance Officer and also acts as the Secretary to all the above Committees.

## Code of Conduct

The Board of Directors of the Company has laid a code of conduct for Directors and the senior management. The code of conduct is posted on the Company's website. All Directors and designated personnel in the senior management have affirmed compliance with the code for the year under review. A declaration to this effect duly signed by Dr. GVK Reddy, Chairman is annexed to this report.

## Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed. The information regularly supplied to the Board includes:

- Annual operating plans and budgets, capital budgets and updates
- Periodic Financial Statements
- Minutes of meetings of audit, compensation and investor grievance committee of the Company along with board minutes of the subsidiary companies, General notices of interest
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary
- Materially important litigations, show cause, demand, prosecution and penalty
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any
- Any materially relevant default in financial obligations to and by us
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant development on the human resources front
- Sale of material, nature of investments in subsidiaries and assets, which are not in the normal course of business
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

## Previous Annual General Meetings

Year	Date	Time	Venue
2020-21	25.02.2022	11.30 A.M	The registered office of the Company is the deemed venue, as the meeting was held through Video Conference mode.
2021-22	26.08.2022	11.30 A.M	The registered office of the Company is the deemed venue, as the meeting was held through Video Conference mode.
2022-23	30.08.2023	11.30 A.M	The registered office of the Company is the deemed venue, as the meeting was held through Video Conference mode.



## Special Resolutions passed during the previous three Annual General Meetings

Financial Year	Details of Special Resolutions Passed
2022-23	Mr. P V Prasanna Reddy was appointed as Whole-time Director of the Company with effect from 14th November 2023 for a period of three years.
2021-22	No special resolutions were passed during the financial year 2021-22
2020-21	Appointment of Mr. Ilyas Ghulam Hussain Ghouse as Independent Director of the Company

## Details of special resolution passed during the year through postal ballot

During the year under review, there is no special resolution passed through postal ballot.

## Details of special resolution proposed to be conducted through postal ballot

At the ensuing Annual General Meeting, there is no Agenda item that requires approval of the shareholder through postal ballot.

## E-voting

Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management & Administration) Rules, 2014 and Regulation 44 of Listing Regulations, 2015 also requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings and the same has been provided at this AGM.

## Means of Communication

The quarterly and annual financial results of the Company are generally published in National Newspapers i.e. The Economic Times, The Financial Express or Business Standard in English and Andhra Prabha, Surya or Nava Telangana a regional newspaper in vernacular language. The results of the company are displayed on company's website [www.gvk.com](http://www.gvk.com)

## Related Party Transactions

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. The related party transactions entered into were in the ordinary course of business and at arm's length basis. A statement of related party transactions is placed before the Board on quarterly basis.

The Company has framed a Policy on Related Party transactions and the same is available on website of the Company at [https://www.gvk.com/files/investorrelations/investors/corpgovernance/RelatedParty TransactionPolicy.pdf](https://www.gvk.com/files/investorrelations/investors/corpgovernance/RelatedParty%20TransactionPolicy.pdf)

## Whistle-blower policy / Vigil Mechanism

The Company has established a policy for all the employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism under the said policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that during the financial year 2023-24 no employee has been denied access to the audit committee.

## Material Subsidiary Companies

The Minutes of the Meetings of Board of Directors of all the subsidiary companies were periodically placed before the Board of Directors of the Company. The Policy on Material Subsidiary is available on the website of the Company at [https://www.gvk.com/files/investorrelations/investors/corpgovernance/policy\\_for\\_determining\\_material\\_subsidaries\\_gvk\\_pil.pdf](https://www.gvk.com/files/investorrelations/investors/corpgovernance/policy_for_determining_material_subsidaries_gvk_pil.pdf)

## Details of material subsidiaries of the listed entity

SI No	Name of the material subsidiary of the listed entity	Date and place of incorporation	Name of the statutory auditor	Date of appointment of the statutory auditor
1	Alaknanda Hydro Power Company Ltd	07-02-1996 Kanpur	M/s K S Rao & Co, Hyderabad	27-09-2022
2	GVK Jaipur Expressway Pvt Ltd	01-04-2002 Jaipur	M/s M Bhaskara Rao & Co., Hyderabad	30-07- 2022
3	GVK Developmental Projects Pvt Ltd	20-12-2006 Delhi	M/s Kathotia & Co, Hyderabad	30-09-2023
4	GVK Energy Limited	15-04-2008 Hyderabad	T R Chaddha & Co LLP	29-09-2022
5	Sutara Roads & Infra Limited	26-05-2015 Hyderabad	M/s Sarangapani & Co, Hyderabad	17-11- 2021
6	GVK Power (Goindwal) Sahib Ltd	04-12-1997 Hyderabad	M/s K S Rao & Co, Hyderabad	03-08-2022

**Details of total fees paid to Statutory Auditors**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follow:

Name of the Company / Subsidiary	Nature of service	Amount Rs. in Lakhs
GVK Power & Infrastructure Limited (GVK PIL)	Audit Fees	57
	Other Fees	2
<b>Total (A)</b>		<b>59</b>
Subsidiaries of GVK PIL	Audit Fees	46
	Other Fees	7
<b>Total (B)</b>		<b>53</b>
<b>Total (A+B)</b>		<b>112</b>

Entities in the network firm / network entity of which the statutory auditors is a part - NIL

**Information Required under Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013**

Your Company has a policy and framework for employees to report sexual harassment complaints at workplace and its process ensures complete anonymity and confidentiality of information. Ethics Committee will oversee the complaints, if any, which are address in compliance with this policy. During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Prevention of insider trading**

The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under SEBI (Prevention of Insider Trading) Regulations, 2015. As per Regulation 3(5) and 3(6) of SEBI(PIT) Regulations, the Company is maintaining Structured Digital Database. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The policy is available on our website at [https://www.gvk.com/files/investorrelations/investors/corp\\_governance/gvkpilinsider\\_trading\\_policy.pdf](https://www.gvk.com/files/investorrelations/investors/corp_governance/gvkpilinsider_trading_policy.pdf)

**SEBI Complaints Redressal System (SCORES)**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time

**NSE Electronic Application Processing System (NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**Strictures/Penalty**

No stricture or penalty has been imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority, nor has been any instance of non-compliance with any legal requirements, or any matters relating to the Capital Market during the period under the review.

**Non-compliance of any requirements of corporate governance report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015**

The Company has complied with the requirement of corporate governance report of sub-regulation (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

**Adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015**

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Separate persons were appointed for the posts of Chairman and Whole-time Director and the Internal Auditors directly report to the Audit Committee.

**Compliance with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015**

Company has complied with all the relevant corporate governance requirements stipulated in the Listing Regulations.

## General Shareholder Information

1.	<b>Annual General Meeting</b>	
	Day, Date and Time	Tuesday, 31st December, 2024 at 11:30 AM
	Financial year	2023-24
	Venue	This is being held through Video Conference. Hence, the registered office would be the deemed venue of this AGM.
2.	<b>Book Closure Dates</b>	Saturday, 28th December, 2024 to Tuesday, 31st December, 2024 (both days inclusive)
3.	<b>Listing of equity shares is at</b>	<b>The National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 <b>BSE Limited</b> Floor 25, P J Towers, Dalal Street Fort, Mumbai - 400001 Annual Listing Fee has been paid for the year 2023-24 to both the above Stock Exchanges
4.	<b>Stock Code</b>	BSE: 532708, NSE: GVKPIL ISIN : INE251H01024
5.	<b>Market Price Data: High, Low during each month in last Financial year</b>	Please see Annexure 'A'
6.	<b>Registrar &amp; Share Transfer Agents</b>	KFin Technologies Limited <b>Unit: GVK Power &amp; Infrastructure Limited</b> Kary Selenium Tower B, Plot 31-32, Gachibowli, Financial Dt, Nanakramguda, Hyderabad - 500 032 Phone: 040 - 67161569, Fax : 040 - 23420814 E-mail: einward.ris@kfintech.com website: www.kfintech.com
7.	<b>Share Transfer System</b>	As per Regulation 40 of Listing Regulations, as amended, effective from April 1, 2019, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or KFin Technologies Limited, for assistance in this regard
8.	<b>Distribution of Shareholding and Shareholding pattern as on March 31, 2024</b>	Please see Annexure 'B'
9.	<b>Dematerialization of shares and Liquidity</b>	99.87% of the shareholding has been dematerialized as on 31 March, 2024.
10.	<b>Commodity price risk or foreign exchange risk and hedging activities</b>	As the Company is not engaged in commodity business, commodity risk is not applicable.
11.	<b>Credit Ratings for debt instruments</b>	As Company has not raised funds through any debt instruments, hence credit ratings is not applicable.
12.	<b>Address for Correspondence</b>	GVK Power & Infrastructure Limited Darshak Chambers, Plot No.32, Ground Floor House No:1-8-303/48/32, Street No:1. Penderghast Road Secunderabad 500 003 Email: cs.gvcpil@gvk.com Website: www.gvk.com
13.	<b>Query on the Annual Report</b> (Shall reach 10 days before the AGM)	T Ravi Prakash Company Secretary & Compliance Officer GVK Power & Infrastructure Limited Darshak Chambers, Plot No.32, Ground Floor House No:1-8-303/48/32, Street No:1. Penderghast Road, Secunderabad 500 003 E-mail : cs.gvcpil@gvk.com Phone: 040-27902663/64 Fax: 040-27902665
14.	<b>Disclosure relating to demat suspense account / unclaimed suspense account</b>	Not Applicable as there no shares lying in the demat suspense account / unclaimed suspense account of the Company.



## Changes in Share Capital

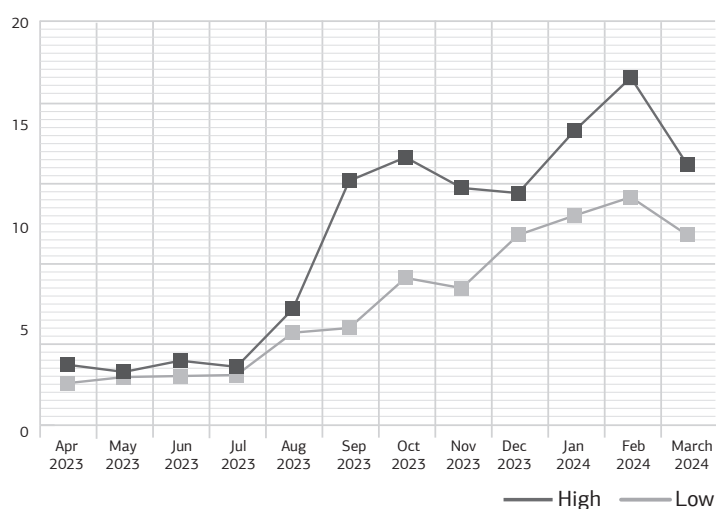
Date of Allotment	Number of Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	10	Nil
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	20	Nil
10/09/1996	8	10.00	Cash	Allotment to JOMC Mauritius	100	Nil
18/01/1997	20,990	10.00	Cash	Allotment to JOMC Mauritius	210,000	Nil
18/06/1997	14,000	10.00	Cash	Allotment to Triumph Investments Limited	350,000	Nil
27/08/2005	52,85,000	10.00	Other than Cash	Bonus issue in the ratio 151:1	53,200,000	Nil
14/10/2005	24,76,194	155.41	Cash	Preferential allotment to certain Promoters, Promoter Group Companies and others	77,961,940	360,063,369.54
14/10/2005	75,72,695	155.44	Cash	Preferential allotment to Transoceanic Projects Limited	153,688,890	1,461,436,130.34
21/02/2006	82,75,556	310.00	Cash	Initial Public Offering	236,444,450	3,944,102,930.34
14/05/2007	375,69,230	325.00	Cash	Qualified Institutional Placement (QIP)	612,136,750	15,778,410,380.34
17/10/2007	7,03,25,000	10.00	Other than Cash	Under the Scheme of Amalgamation	1,315,386,750	15,778,410,380.34
24/11/2007	90,46,215	10.00	Other than Cash	Under the Scheme of Arrangement	1,405,848,900*	15,778,410,380.34
09/07/2009	173,361,500	41.25	Cash	Qualified Institutional Placement (QIP)	1,579,210,400	22,756,210,755.34
<b>Total</b>	<b>1,579,210,400</b>					

\* Effective from 15.02.2008 the face value of the share has been changed from Rs.10/- per share to Re.1/- per share.

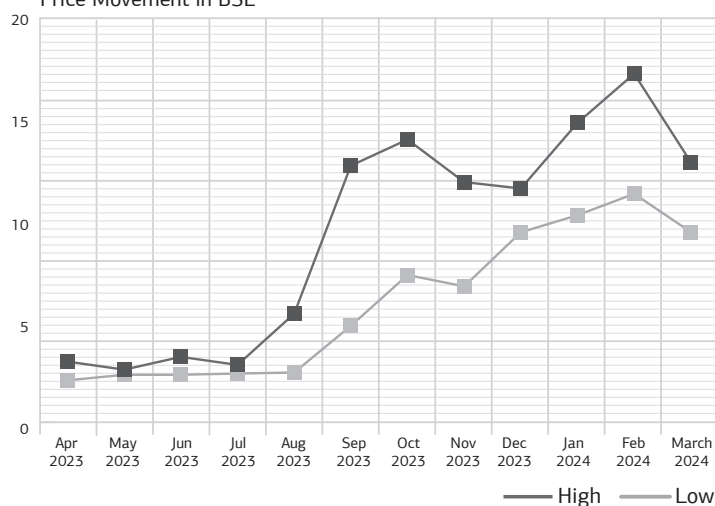
### Monthly high, low and trading volume of equity shares of the Company during the financial year 2023-24

Month, Year	National Stock Exchange of India Limited (NSE)			BSE Limited (BSE)		
	High (Rs)	Low (Rs)	Traded Volume (Rs. Lakhs)	High (Rs)	Low (Rs)	Traded Volume (Rs. Lakhs)
April, 2023	2.95	2.05	410.67	3.00	2.09	164.82
May, 2023	2.60	2.35	300.05	2.61	2.36	129.83
June, 2023	3.15	2.40	764.28	3.23	2.36	394.52
July, 2023	2.85	2.45	608.21	2.84	2.42	204.27
August, 2023	5.68	4.52	695.98	5.33	2.47	1329.80
September, 2023	11.95	4.75	1907.37	12.53	4.74	1695.33
October, 2023	13.10	7.20	1499.48	13.80	7.21	731.30
November, 2023	11.60	6.70	1164.82	11.73	6.66	584.01
December, 2023	11.35	9.30	902.13	11.42	9.29	242.19
January, 2024	14.40	10.25	409.73	14.61	10.12	989.29
February, 2024	17.00	11.15	1804.86	17.00	11.16	603.89
March, 2024	12.75	9.30	582.18	12.70	9.30	186.99

Price Movement in NSE



Price Movement in BSE



**GVK Power & Infrastructure Limited**

Share holding pattern as on 31 March 2024 (Consolidated)

Description	No. of Shareholders	No. of Shares	Percentage to equity
Promoter Companies	1	73,28,93,902	46.41
Resident Individuals	4,45,634	62,93,04,302	39.30
Promoter Director	2	12,38,35,438	7.84
Non Resident Indians	1,936	2,50,75,518	1.11
H U F	4,447	2,12,94,878	1.34
Bodies Corporates	793	1,83,90,395	1.71
Non Resident Indian Non Repatriable	1,520	87,56,098	0.51
Qualified Institutional Buyer	1	76,21,060	0.48
Government	1	63,30,000	0.40
Foreign Portfolio - Corp	12	47,36,403	0.85
Overseas Corporate Bodies	1	3,75,000	0.02
Clearing Members	5	3,44,199	0.00
NBFC	3	1,99,250	0.01
Trusts	8	38,087	0.00
Banks	3	8,100	0.00
Directors And Relatives	2	7,770	0.00
<b>Total</b>	<b>4,54,369</b>	<b>1579210400</b>	<b>100.00</b>

**Annexure - B**

Distribution by category as on March 31, 2024

Category	Number of Shares	% of holding
Promoters & Promoter Group	85,67,29,340	54.25
Foreign Institutional Investors, OCB, Foreign Nationals, NRIs	4,58,84,016	2.91
Banks, Mutual Fund, Clearing Members etc	21,15,275	0.13
Others	67,44,81,769	42.71
<b>Total</b>	<b>157,92,10,400</b>	<b>100.00</b>

Distribution Schedule as on March 31, 2024

Sl. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1- 100	183113	40.30	8125529	0.51
2	101- 200	60485	13.31	10338711	0.65
3	201- 300	30486	6.71	8121217	0.51
4	301- 400	15708	3.46	5833814	0.37
5	401- 500	31246	6.88	15331143	0.97
6	501- 1000	55045	12.11	47139565	2.99
7	1001- 2000	33278	7.32	52394299	3.32
8	2001- 3000	13015	2.86	34047311	2.16
9	3001- 4000	6128	1.35	22363679	1.42
10	4001- 5000	6905	1.52	33224124	2.10
11	5001-10000	10092	2.22	78006557	4.94
12	10001 and above	8868	1.95	1264284451	80.06
	<b>Total</b>	<b>454369</b>	<b>100.00</b>	<b>1579210400</b>	<b>100.00</b>

De-materialization of shares as on March 31, 2024

Sl. No.	Description	No of shareholders	No of shares	% of Shares
1	PHYSICAL	4929	2131186	0.13
2	NSDL	1,55,631	1223385685	77.47
3	CDSL	2,93,809	353693529	22.40
	<b>Total</b>	<b>4,54,369</b>	<b>157,92,10,400</b>	<b>100.00</b>

As on March 31, 2024 over 99.87% of outstanding shares are held in de-mat form and the balance 0.13% in physical form. Trading in equity shares of the Company is permitted only in de-materialized form as per notification issued by the Securities and Exchange Board of India (SEBI). Shareholders interested in dematerializing / rematerializing their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.



## Compliance with Regulation 26 & Part D of Schedule V of SEBI (LODR) Regulations, 2015

### DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under Regulation 26 & Part D of Schedule V of SEBI (LODR) Regulations, 2015, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2024.

**For GVK Power & Infrastructure Limited**

Place : Hyderabad  
Date : 14th November, 2024

**Dr GVK Reddy**  
Non- Executive Chairman

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
GVK POWER & INFRASTRUCTURE LIMITED  
Registered Office: Darshak Chambers  
Plot No.32, Ground Floor, House No.1-8-303/48/32,  
Street No.1, Penderghast Road, Secunderabad TG 500003 IN.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GVK Power & Infrastructure Limited having CIN: L74999TG2005PLC059013 and having registered office at Darshak Chambers, Plot No.32, Ground floor, House No:1-8-303/48/32, Street No:1, Penderghast Road, Secunderabad, Telangana-500 003 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
01	VENKATA KRISHNA REDDY GUNUPATI	00005212	16/02/2005
02	VENKATA SANJAY REDDY GUNUPATI	00005282	16/02/2005
03	VENKATAPRASANNA REDDY PALICHERLA	01259482	11/08/2017
04	ILYAS GHULAM HUSSAIN GHOUSE	07480760	01/02/2022
05	ANUMOLU RAJASEKHAR	01235041	25/04/2019
06	ANIL KUMAR REDDY NUKALAPATI	00017586	01/12/2019
07	Ms. RAMA RAO	03207492	01/09/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Place : Hyderabad  
Date : 03-09-2024

**Narender & Associates**  
**G Narender**  
FCS-4898  
CP:5024  
UDIN:F004898F001113412

**Whole-time Director and Chief Financial Officer Certification under Regulation 17(8) of SEBI (LODR) Regulations, 2015**

To  
The Board of Directors of  
GVK Power & Infrastructure Limited

In relation to the Audited Financial Accounts of the Company as at March 31, 2024, we hereby certify that

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief.
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**P V Prasanna Reddy**  
Whole-time Director  
**Sanjeev Kumar Singh**  
Chief Financial Officer

Place : Hyderabad  
Date : 28th May, 2024

---

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**  
**(As per Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)**

To  
The Board of Directors of  
GVK Power & Infrastructure Limited

We have reviewed the compliance of conditions of Corporate Governance by GVK Power & Infrastructure Limited, for the year ended 31st March, 2024, as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Narender & Associates**  
**Company Secretaries**

**G Narender**, Proprietor  
FCS-4898  
CP:5024

Place : Hyderabad  
Date : 03-09-2024

# Management Discussion and Analysis

## 1. About the Company

GVK Power & Infrastructure Limited (the Company) is a listed entity and an ultimate holding company of “GVK” which operates in diversified business operations under different verticals. The Company earlier used to operate predominantly in Energy, Airports, Transportation and has presence in other businesses like Urban infrastructures etc. With the closure of business under Airport sector, bleak future in Energy and Transportation sectors coupled with practically no possibility of raising funds from the Lenders/ Institutions, your management is unable to diversify into any other area of business.

## 2. The Economy and Sectoral growth

India's growth at 8.2% in FY 2023-24 is a reflection of the efforts for Viksit Bharat by 2047; the growth momentum is expected to continue and strengthen in the coming times. Despite deepening geopolitical distress and global macroeconomic headwinds, India remains resilient. India has become a growth leader among the major advanced, emerging, and developing countries. India's economy is becoming more and more robust as growth is strengthening quarter after quarter; the Q4 growth at 7.8% indicates a strong growth trajectory to continue in the coming quarters too. Manufacturing, construction and electricity sectors have become the major growth drivers in recent quarters. The overall real GDP growth at 8.2% in 2023-24 is highest among the leading advanced, emerging economies. The manufacturing sector has grown at 8.9% in Q4 2023-24 on the back of strategic reforms and prudent policy measures by the government and efforts of industry.

The consistent growth in the construction sector is indicating the creation of new employment as the construction sector absorbs skilled, semi-skilled and unskilled chunks of the workforce. High growth in the Electricity, Gas, Water Supply & Other Utility Services at 7.7% in Q4 is inspiring as this will boost the manufacturing activities in the economy. The tertiary sector growing at a steady pace of more than 6% is inspiring, displaying that India's growth momentum will continue. The gross fixed capital formation at 33.2% of GDP for Q4 2023-24 is indicating steady capacity expansion for more employment opportunities in the coming times.

### A) POWER

The generation during 2023-24 was 1738.828 BU as compared to 1624.465 BU generated during 2022-23, representing a growth of about 7.04%. The generation during 2022-23 was 1624.158 BU as compared to 1491.859 BU generated during 2021-22, representing a growth of about 8.87%. India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 442.85 GW as of April 30, 2024. Growing population along with increasing electrification and per-capita usage will provide further impetus. Power consumption in India in FY23-24 logged a 9.5% growth to 1,503.65 billion units (BU). India has committed to augment non fossil fuel based installed electricity generation capacity to over 5,00,000 MW by 2031-32.

In the Budget for 2024, the government's power sector initiatives have been allocated funds that are 50% higher. Increased funds have been allocated to green hydrogen, solar power, and green-energy corridors. To meet India's 500 GW renewable energy target and tackle the annual issue of coal demand-supply mismatch, the Ministry of Power has identified 81 thermal units which will replace coal with renewable energy generation by 2026.

100% FDI allowed in the power sector has boosted FDI inflow in this sector. Schemes such as Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) are expected to augment electrification across the country. Cabinet approves PM-Surya Ghar: Muft Bijli Yojana for installing rooftop solar in One Crore households. As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of Rs. 111 lakh crore (US\$ 1.4 trillion). Total FDI inflows in the power sector reached US\$ 18.28 billion between April 2000-March 2024. India's power sector is expected to attract investment worth Rs. 17 lakh crore (US\$ 205.31 billion) in next 5-7 years.

### B. TRANSPORTATION

The National Highways have a total length of 1,46,145 km, which in totality serve as the arterial network of the country. The development of National Highways is the responsibility of the Government of India. The Government of India had launched major initiatives to upgrade and strengthen National Highways through various phases of the National Highways Development Project (NHDP) and is taking the initiative forward through the umbrella program of Bharatmala Pariyojana Phase-I and other schemes and projects.

National Highway (NH) network increased by 60% from 91,287 km in 2014 to 1,46,145 km in year 2024. Length of 4 lanes and above NH increased by 2.6 times from 18,371 km (2014) to 48,422 km. Length of operational High-Speed Corridors of NHs network has increased from 93 km in 2014 to about 2,138 km in 2024. The pace of National Highways (NH) construction has increased consistently due to the systematic push through corridor-based National Highway development approach. Construction during 2023-24 reached 12,349 km which is the 2nd highest and 20% more than previous year. Highest achievement was 13,327 km in 2020-21.



#### **GVK Power & Infrastructure Limited**

Lane augmentation is at all time highest (9,642 km) during 2023-24 and 17% more than previous year (8,233 km in 2022-23). 4L+ km of roads including Expressways/ Access Controlled Highways is at all time highest at 5,193 km and at 12% more than previous year (4,635 km in 2022-23) ace of NH construction increased 2.8 times to 33.8 km/day (2023-24) from 12.1 km/day (2014-15). Award during 2023-24 is 8,581 km as compared to 7,972 km during 2014-15.

### **3. Assets under Operation**

#### **i) Energy**

One Hydel power project i.e. 330 MW Alaknanda Hydro Power Company Limited has recorded revenue of Rs. 1,117 Crore for the year ended March 31, 2024 as against Rs.1,151 Crore for the previous year.

Your Company now has only one revenue generating asset during the year 2023-24 i.e. 330 MW Alaknanda Hydro Power Company Limited.

#### **Alaknanda Hydro Power Company Limited**

The 330MW Shrinagar Hydro Electric Project achieved Annual Plant Availability Factor of 52.95% for the FY 2023-24 with a Plant Load Factor of 45.05 %. During the monsoon season, the Project operated all four units at their full capacity. During other seasons, based on the water flows, the plant was operated with at least one turbine, either on part or full load. During the year under review, the company has generated revenues of Rs. 1,117 Crore with a profit of Rs. 354 Crore.

#### **GVK Industries Limited (in liquidation)**

As per the orders issued by the National Company Law Tribunal, Hyderabad Bench, this Company is now taken over by the Resolution Professional on 21.04.2022 under the provisions of the Insolvency and Bankruptcy Code, 2016. Since, no possible solution is visible to revive this project, the NCLT, has initiated the process of liquidation of this company.

#### **GVK Gautami Power Limited**

As per the orders issued by the National Company Law Tribunal, Hyderabad Bench, this Company is now taken over by the Resolution Professional on 20.10.2023 under the provisions of the Insolvency and Bankruptcy Code, 2016.

#### **GVK Power (Goindwal Sahib) Limited**

In accordance with the provisions of the Insolvency & Bankruptcy Code (IBC) and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 thereof, the Resolution Professional conducted the CIRP of the Company and in the seventeenth meeting of Committee of Creditors (CoC) held on 21 November 2023, the resolution plan submitted by the Resolution Applicant i.e., Punjab State Power Corporation Limited ("PSPCL") was approved by the members of the CoC with 100% votes ("Resolution Plan"). Pursuant to which, the Resolution Professional filed the approved Resolution Plan before the Hon'ble NCLT for adjudication which was approved vide order dated 22nd December 2023 ("Approval Order").

Accordingly, the management and operations of the Company was undertaken and monitored by the Monitoring Committee with Mr. Ravi Sethia acting as the chairman from the date of approval of the Resolution Plan by the Hon'ble NCLT till 07th February 2024.

Pursuant to the 8th meeting of the Monitoring Committee dated 06th February 2024 (ended on 07th February 2024), the Resolution Plan has been successfully implemented and the Company has been handed over to PSPCL w.e.f. 07.02.2024

#### **ii) Transportation**

#### **GVK Jaipur Expressway Limited**

The company was incorporated as Special Purpose Vehicle (SPV) for construction, operation, and maintenance of the Project Highway for widening the existing 2 lanes to 6 lanes divided carriageway facility including rehabilitation of existing 2 lanes from KM 273/500 to KM 363/885 on Jaipur – Kishangarh section of the National Highway No:8 (NH-8) in the State of Rajasthan, on Build, Operate and Transfer (BOT) Basis.

The Concession period of the Project has ended on April 10, 2023. Accordingly, the Toll project was successfully handed over to the NHAI. The Company carried out commercial operations during the first 10 days of April 2023 and has collected toll revenue of Rs 11.92 Crores. Post this period the project including toll operation was handed over to NHAI. As such, there was no other business activity in the Company.

In terms of orders pronounced on 6th August, 2024, National Company Law Tribunal (NCLT) has admitted GVK Transportation Limited, wholly owned Subsidiary of GVK Power & Infrastructure Limited into Corporate Insolvency Resolution Process (CIRP). Further, Mr. Harish Kant Kaushik was appointed as an Interim resolution Professional (IRP) by NCLT.

## 4. Risks & Concerns

### Energy

The energy crisis is the concern that the world's demands on the limited natural resources that are used to power industrial society are diminishing as the demand rises. These natural resources are in limited supply. While they do occur naturally, it can take hundreds of thousands of years to replenish the stores. The world faces two energy problems: most of our energy production still produces greenhouse gas emissions, and hundreds of millions lack access to energy entirely.

Among the major categories of risk considered are those relating to industrial operations, to atmospheric pollution, to shortage of water supply, and to change in climate. For each of these, we have considered the risks posed by energy systems based on fossil fuels, nuclear fuels, and solar energy. Some of the issues leading to the power deficit situation in the country include (i) shortage of fuel, (ii) high AT&C losses, (iii) a differential tariff structure, and (iv) delays in tariff revisions.

### Transportation

One of the most common transportation risks in distribution logistics is delays and disruptions. These can occur due to various factors such as traffic congestion, weather conditions, accidents, strikes, customs clearance, regulatory changes, or unexpected events. Few other instances of transportation risks are labor shortage delays, loss or theft of cargo, incorrect documentation, cargo damage and lack of proper insurance. To reduce these risks, businesses implement transportation risk management strategies and procedures.

## 6. GVK Power & Infrastructure Limited – Financial Performance Review

### Standalone Financials

#### Revenue

The total income of the company, which comprises of income from operations, of power plant, Fees for technical services and other income is Rs.760 lakhs.

#### Expenditure

The Company's total expenditure, comprising of Cost of Operation, Employee Benefit Expenses and other administrative expenses, increased to Rs.3,408 (Including impairment of Deemed investment of Rs. 2,284/-lakhs) Lakhs for the year ended March 31, 2024 from Rs.1,074 lakhs for the year ended March 31, 2023.

#### Interest

Interest expenses stood at Rs.Nil (previous year figure was Rs. Nil)

#### Profit before tax (PBT)

Profit before tax for the year stood at Rs. (1,451) lakhs for the current year as compared to profit of Rs.701 lakhs in the previous year.

#### Profit after tax

Profit after tax is Rs. (1,794) lakhs for the year ended March 31, 2024 as compared to profit of Rs.646 lakhs in the previous year.

#### Earnings Per Share (EPS)

The earnings per share at a standalone level for the current year stands at Rs. (0.11) as compared to Rs. 0.04 per equity share of Re.1/- each in the previous year.

### Consolidated Financials

The current year results include the results of the companies including subsidiaries, step down subsidiaries, joint ventures and associates. The Consolidated Financial Statements have been drawn as per the Indian Accounting Standards (Ind AS) IND-AS 110 on "Consolidated financial statements" and IND - AS 28 on "Investment in associate and joint venture" notified under Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended. These companies operate broadly in a) Power b) Road c) Airports and d) Other sectors.

#### Revenue

GVKPIL registered a consolidated total income from operations of Rs.108,014 Lakhs for the year ended March 31, 2024, as against Rs.212,036 Lakhs during the corresponding period of the previous year recording decrease by 51%.

EBIDTA at a consolidated level for the year stood at Rs. 92,664 Lakhs as against Rs. 1,31,792 Lakhs in the previous year. EBIDTA margin at a consolidated level decreased to 30% as compared to 351 % in the previous year.

#### Profit after tax

Profit after tax and non-controlling interest attributable to equity holder of GVKPIL for the current year is Rs.21,121 lakhs for 2023- 24 as compared to Rs. 307,108 lakhs in the previous year.

## GVK Power & Infrastructure Limited

### Earnings per Share (EPS)

The earnings per share at consolidated level for the current year stands at Rs.0.13 as compared to Rs.15.44 per equity share of Re.1/- each in the previous year.

### Net Worth

The net worth as at the end of Financial Year 2023-24 stands at Rs. 56,277 lakhs as compared to Rs.45,301 lakhs as at the end of the previous year.

During the period under review, there are no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

### Details regarding Conservation of Energy and Technology Absorption:

Information on the conservation of Energy, Technology absorption and Research & Development, required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

#### (A) Conservation of Energy:

(i)	the steps taken or impact on conservation of energy	Nil
(ii)	the steps taken by the company for utilizing alternate sources of energy	Nil
(iii)	the capital investment on energy conservation equipments	Nil

#### (B) Technology absorption:

(i)	the efforts made towards technology absorption	The Company has not absorbed any technology from any source.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	The expenditure incurred on Research and Development	Nil

## 7. Clean Development Mechanism

The Clean Development Mechanism (CDM) allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of Carbon-di-oxide (CO<sub>2</sub>). These CERs can be traded and sold, and used by industrialized countries to a meet a part of their emission reduction targets under the Kyoto Protocol.

The mechanism stimulates sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction limitation targets. Three of the group companies i.e. GVK Industries Ltd (Phase II), GVK Gautami Power Ltd and Alaknanda Hydro Power Company Ltd were registered with UNFCCC and as such these projects are eligible for CER credits.

## 8. Internal Control System and Adequacy

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements.

The internal audit function team comprises of well-qualified, experienced professionals who conduct regular audits across the Company's operations. The internal audit reports are placed before the Audit committee for consideration. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

## 9. Material developments in Human Resources/Industrial Relations front, including number of people employed

The total number of employees of GVK at the corporate office and projects sites as on March 31, 2024 stands at 190 approximately.

Your company periodically reviews the requirement of these employees across various projects based on the need and necessity. The optimal utilization of the human resources with multi-tasking is what is being emphasized across the group.

## 10. Future Outlook

As you may be aware, all infrastructure companies across India are facing challenging times due to their financial exposure to Banks and Lending Institutions. Repayment of these loans have become a real task particularly when their revenue flows are which are either minimal or nothing due to delays or very long gestation periods. As a result, they are unable to make loan repayments and are branded as Non-Performing Assets (NPA) by their Lenders. The situation for some companies is very

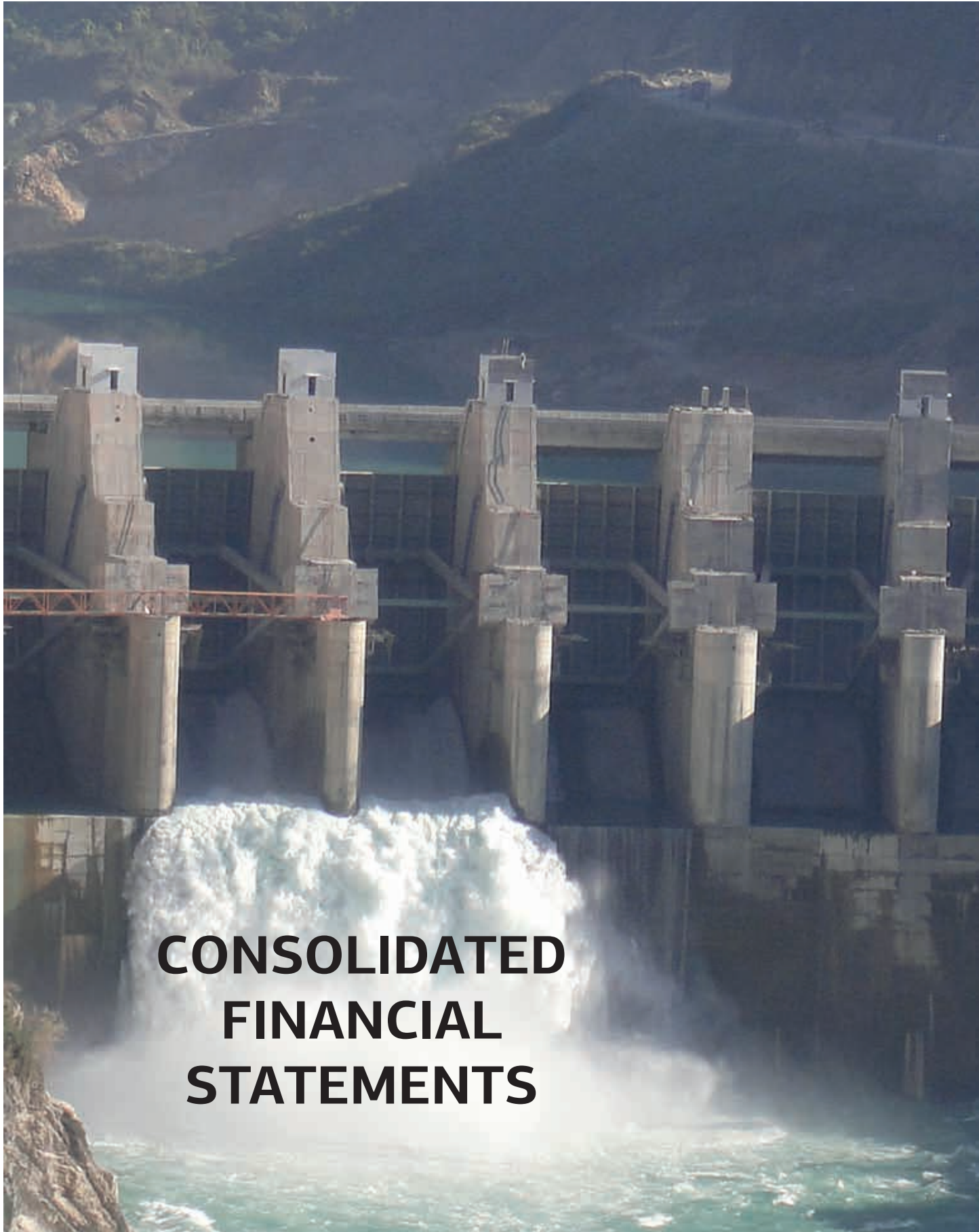


bad because even though their projects/plants are completed / ready for operations, they are unable to operate due to the non-availability of natural gas/coal etc. The majority of these factors are not under the control of the management. GVK is no exception to this.

## **11. Cautionary Statement**

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning applicable under the securities laws and regulations.

As 'forward-looking statements' are based on certain assumptions and expectations of future events over which the company exercises no control, the company cannot guarantee their accuracy nor can it warrant that the same will be realized by the company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the electricity industry, changes in government regulations, tax regimes and other statutes.







## Independent Auditors' Report

To,

The Members of GVK Power & Infrastructure Limited

### Report on the audit of Consolidated Financial Statements

#### Disclaimer of Opinion

1. We were engaged to audit the accompanying Consolidated financial statements of **GVK Power & Infrastructure Limited** (hereinafter referred to as the "Holding Company" or "GVKPIL"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group" or "GVKPIL Group"), its associates and joint ventures (refer Note 42) to the consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
2. We do not express an opinion on the accompanying consolidated financial statements. Because of the significance of the matters involving uncertainties, described in the "Basis of Disclaimer of opinion" section of our report, notwithstanding having obtained sufficient appropriate audit evidence regarding most of the individual uncertainties, it is not possible for us to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the consolidated financial statements.

#### Basis for Disclaimer of Opinion

3. We draw your attention to following notes of the Consolidated financial statements:
  - i. We draw attention to note 52 to the consolidated financial statements which states that as at March 31, 2024, the GVKPIL Group had accumulated losses and the GVKPIL Group has incurred losses excluding exceptional item during preceding years. The GVKPIL Group's current liabilities are significantly in excess of current assets. Three of the subsidiary companies where the project has been terminated are following liquidation basis of accounting. The GVKPIL group has delayed/defaulted in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under the Insolvency and Bankruptcy Code in certain cases. The Resolution professional have also been appointed in certain cases by NCLT. There are various litigations going on in the GVKPIL Group. The GVKPIL Group has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 46, 47, 49(a) and 49(b) (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Deoli Kota Expressway Private Limited), uncertainties are being faced by various projects such as delays / non development of coal mines in an overseas project where the Holding Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge, arbitration on delay of commencement of road projects, termination of various projects etc. Various guarantees given by GVKPIL and GVK Energy Limited (GVKEL) on behalf of their subsidiaries, associates and joint controlled entity have been invoked by the lenders. These factors indicate significant doubt on going concern ability of the GVKPIL group. Notwithstanding the above, the financial statements of the GVKPIL Group have been prepared on going concern basis as management believes that the GVKPIL Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; will reach an optimal solution with non-controlling shareholders and lenders etc. as required despite current macro-economic environment challenges. Considering the various uncertainties involved as fully described in the Basis of Disclaimer section of our report, the probable impact could be material and pervasive on these consolidated financial statements and that may cause significant doubt on company's ability to continue as a going concern. Accordingly, we are unable to comment that the management assumption of preparing these financial statements on going concern basis is appropriate.
  - ii. We draw attention to Note No 46 to the Consolidated Financial Statements regarding GVK Coal Developers (Singapore) Pte. Limited, (GVK Coal Developers) (an associate) in which the GVKPIL Group has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the holding company along with others jointly and severally had given irrevocable and unconditional guarantee and commitments (CG) for loans up to aggregating to USD 1,132.45 Million (Rs.9,44,168 Lakhs) (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the finance documents or USD 692.61 Million) taken by the aforesaid associate Company part of which is collateralized by pledge of 155,587,500 (March 31, 2023: 155,587,500), 130,287,382 (March 31, 2023: 130,287,382) and 48,000,000 (March 31, 2023: 48,000,000) shares of GVK Energy Limited,

GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11million (Rs.2,593 Lakhs) with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The GVK Coal Developers current liabilities exceeded current assets by USD 2,624 million (Rs.21,87,713 Lakhs) as of March, 2024 and accumulated losses as of March, 2024 is USD 1,386 million (Rs. 11,55,562 Lakhs) based on audited special purpose consolidated financial statements of GVK Coal Developers (Singapore) Pte. Limited. The GVK Coal Developers lenders filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal Developers. During the current financial year 2023-24, the England court vide its order dated October 19, 2023 has crystalized the amount payable by the defendants (GVKPIL and other guarantors / stakeholders in GVK Coal Developers) at USD 2.19 billion including the amount towards interest.

As per legal opinion obtained by the Holding company, the order dated 19th October 2023 passed by the England court is not speaking order. It has also been opined that the Order dated 19.10.2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

As per the GVKPIL management, several attempts were made by the company to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement.

The GVK Coal Developers having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal Developers dues.

Further, one of the lenders has filed an application under Section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the GVKPIL (being guarantor for loan taken by GVK Coal Developers) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed the reply. As per the NCLT website, initially final hearing was mentioned as 24.04.2024 but the authority has partly heard the details and next hearing is scheduled on 31.05.2024. As per the GVKPIL management, petition filed by the ICICI Bank against GVKPIL is barred by Section 10A of the Code as the invocation of the Guarantee was admittedly done vide invocation of guarantee dated 02.11.2020 and as such the invocation of the guarantee on GVKPIL falls squarely within the period prescribed by Section 10A of the code. As per Section 10A, no application for initiation of corporate insolvency resolution process can be filed in respect of a default that has occurred on or after 25th March, 2020 till 25th March, 2021. However, as per ICICI Bank petition, the account (GVK Coal Developers) has become NPA with all the lenders around FY 2016-17. The ultimate outcome of the same and the resultant impact of the same on the financial statements is not ascertainable and cannot be commented upon.

GVKPIL is hopeful of achieving one time settlement with the lenders in view of its arrangement with Adani Airport Holdings Limited (AAHL) which is adequately incentivized to find solution with the lenders to get unencumbered ownership over the shares of GVK Airport Developers pledged with the lenders.

While the GVKPIL Group has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79,048 Lakhs, no provision has been made towards the Corporate Guarantee and commitments issued by GVKPIL. Considering the various uncertainties and complexities involved as mentioned above, we are unable to comment on the viability of the GVK Coal project and the additional provision that may be required concerning the aforementioned guarantees and commitments made by the GVKPIL and the resultant impact of the same on these consolidated financial statements.

iii. We draw attention to Note 47(b) to the consolidated financial statements regarding Deconsolidation of assets and liabilities of GVK Power (Goindwal Sahib) Limited ("GVKPGSL"), a step down subsidiary of the Holding Company with effect from 10th October 2022, as the same has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the GVKPGSL. Interim Resolution professional appointed by NCLT had taken possession of all assets of GVKPGSL. Since the GVKPIL Group loss the control over the GVKPGSL, the assets and liabilities of GVKPGSL have been deconsolidated as at October 10, 2022 as required u/s Para 25 of Ind AS 110 Consolidated Financial Statements, which has resulted in a net gain of Rs.343,685 Lakh as disclosed as Exceptional Items in the Consolidated Financial statements during the year ended 31st March 2023.

During the current financial year 2023-24, the Resolution plan submitted by resolution applicant has been approved by the Hon'ble NCLT Hyderabad vide its order dated December 22, 2023. As per the said order, the secured lenders have received Rs.1,078 crores against their claims of Rs.6,585 Crores. i.e. with a deficit of Rs.5,507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. Lenders through its security trustee

## GVK Power & Infrastructure Limited

(IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1,494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing is fixed on July 10, 2024. No provision has been made by GVKEL against these Corporate Guarantees.

As per GVKPIL management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per GVKPIL management, the liability of the Corporate Guarantor also extinguishes.

The contention of the management is subject to interpretation and there are different judgements on the same. Further, as per the Corporate Guarantee agreement, the liability of the guarantor under this guarantee shall not be affected by:

- Any change in constitution, ownership or corporate existence of the borrower or any absorption, merger, or amalgamation of the borrower with any other company
- Any insolvency, liquidation, bankruptcy or similar situation proceeding in respect of the borrower

Accordingly, there is an uncertainty on the final outcome of the same and the extent of the liability that may arise in respect of guarantee given by GVKEL is presently not ascertainable. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial statements.

- iv. We draw attention to Note No.47(c) to the consolidated financial statements as per which GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL has been admitted into Corporate Insolvency Resolution Process (CIRP) during the current financial year 2023-24, i.e. on October 20, 2023, based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GVKEL has already provided for an impairment for the full value of investment in GVKGPL of Rs 51,897 Lakhs.

The GVKEL has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not been invoked by lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GVKEL. This Corporate Guarantee may however be invoked by the Lenders of GVKGPL considering the default therein and Insolvency proceedings undergoing in GVKGPL. In such an eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKGPL is negative. The extent of the liability that may arise in respect of guarantee given is not determinable at present and no provision has been made in this regard in relation to such liability. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial statements.

- v. We draw attention to the following matters disclosed in Note 49(a) to the consolidated financial statements regarding the financial statements of GVK Bagodara Vasad Expressway Private Limited (GVKBVEPL), a step-down subsidiary of the holding company:

- a) The project of the GVKBVEPL was terminated by Gujarat State Road Development Corporation (GSRDC) by referring the defaults of the Concessionaire. Consequent to the termination of the project, GVKBVEPL has accounted cost incurred on the project of Rs.58,904 Lakh as amount receivable from the GSRDC as management has represented that the project of the GVKBVEPL was terminated due to the reasons attributable to the GSRDC. GVKBVEPL has disputed the termination notice and invoked Arbitration in terms of provisions of concession agreement. Tribunal having heard arguments of both sides has given a split verdict during the financial year 2023-24, dated 11th August 2023. Two out of three Judges have passed a combined award dated 11th August 2023 of Rs.41,296 Lakhs (Net) in favor of GSRDC and one Judge has passed a dissenting award dated 11th August 2023 of Rs.27,438 Lakhs (Net) in favor of the GVKBVEPL. Considering this split award and based on the facts and legal opinion obtained, the GVKBVEPL has filed an appeal before Commercial Court Ahmedabad and the matter is coming up for hearing on 20.06.2024. As per the management till date no signed order has been served on them. Accordingly, GVKBVEPL has not made any provision on recoverability of Rs.58,904 Lakhs and also with respect to amount decreed to be payable to GSRDC of Rs.41,296 Lakhs. There is an uncertainty on the final outcome of the same and the extent of the liability that may arise in respect of aforesaid matter is presently not ascertainable. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial statements.

- b) All the loan accounts are non-performing assets and the GVKBVEPL has received recalled notices from the banks and



financial institutions and hence borrowing from the banks and financial intuitions are treated as current borrowings. Balances of borrowings (including interest accrued thereon) from lenders amounting to Rs.940,26 lakhs as at March 31, 2024 as per books of accounts are unconfirmed. In absence of such confirmations, we are unable to comment on the appropriateness of carrying amount of borrowing (along with interest accrued thereon and penal interest/ penal charges) as presented in Consolidated financial statements.

The above issues are reported as Qualification by the auditors as well in the audit report on the standalone financial statements of GVK Bagodara vasad expressway Pvt Ltd, subsidiary of GVKTPL vide their audit report dated April 29, 2024.

vi. As discussed in detailed in Note 48 to the consolidated financial statements regarding annulment of settlement by Edelweiss with respect to their loans / NCDs to GVKEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GVKEL of Rs.10 each, recording of exceptional loss of Rs.19,486 lakhs during the year ended March 31, 2023 by GVKEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset, GVKEL liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. Next hearing of the case is scheduled on July 09, 2024.

Due to above mentioned default in the repayment of amount due on Loan / NCDs, ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss") (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, the company has filed its replies and next hearing of the case is scheduled on July 12, 2024.

Meanwhile, during the current financial year 2023-24, AHPCL, GVKEL and GVKPIL has entered into another settlement agreement with the lenders on October 09, 2023, which requires to pay Rs 33,000 Lakhs and simple interest @12.50% pa is payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023. The GVKPIL Group could not comply with the settlement terms and requested for extension of time to Edelweiss and they have extended the time till 30th Jun'2024 with phased payments. On 27th February'24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 20,000 Lakhs out of Rs 33,000 Lakhs to be paid and Rs.13,000 Lakhs to be brought in by GVKPIL group. Till date GVKPIL group has paid an amount of Rs 9,150 Lakhs out of Rs 13,000 Lakhs to be brought in by them. There are delays in payment of this phased amount as well. In case of failure to comply with any of the terms and conditions specified, this settlement shall stand revoked without any notice and the original dues payable by the GVKPIL Group /Borrower shall be reinstated and lender shall be entitled to recover the total dues together with applicable interest. Management has represented that they can make remaining payment and waiting for approval of all lenders of AHPCL. In view of the same, we are unable to comment on the accounting done in this regard in books of account and the ultimate impact of the same including of the invocation of the settlement offer by Edelweiss, invocation of pledged shares of AHPCL by Edelweiss, invocation of corporate guarantee issued by the GVKPIL and GVKEL and impact of the proceedings in the NCLT, if any on the consolidated financial statements till the payment of dues as per settlement agreement.

Further, in the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial statements including with respect to the balance amount of investments, loans and trade receivables of GVKEL aggregating to Rs.94,961 Lakhs in books of GVKPIL.

vii. As discussed in detailed in Note 47(a) to the Consolidated Financial statements regarding GVK Coal (Tokisud) Private Limited ("GVKCTPL"), a step-down subsidiary of the Holding Company. The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVKCTPL, a subsidiary company of GVKEL and mine operator was offered a compensation by the Nominated Authority of Rs.11,129 Lakhs as against carrying value of assets of Rs.31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09,2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Including the above amount of Rs 4,984 lakhs, a total of Rs 23,761 Lakhs,

## GVK Power & Infrastructure Limited

being the due on vesting date has been paid to the lenders. Nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed with regard to R&R costs. The GVKCTPL has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 20, 2024.

The GVKEL, holding company, has given corporate guarantee for the loan taken by the GVKCTPL for which no provision has been made at present considering the uncertainties. In the light of the above, we are unable to comment on the recoverability of assets with carrying value of Rs.6,015 Lakhs and the liability to be provided towards the Corporate Guarantee issued together with consequential impact, if any, arising out of the same in these accompanying consolidated financial statements.

viii. We draw attention to the note 49(b) which states that the GVK Deoli Kota Expressway Private Limited (GVK DKEPL), a wholly owned step-down subsidiary of the Holding company on June 25, 2019, has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway.

On September 12, 2019, NHAI issued a termination notice as per clause 37.2.1 of the Concession Agreement for non-fulfilment of the obligation as stated in the Concession Agreement by Concessionaire. NHAI by virtue of this notice, is deemed to have taken possession and control of the project highway along with all the equipment on or at site. After this termination notice toll plaza is deemed to have been transferred to NHAI and from September 16, 2019, onwards NHAI started collecting the toll on the project highway.

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defense and next cross examining the witness of NHAI is scheduled on July 29, 2024.

GVK DKEPL has defaulted in repayment of principal amount and payment of interest on such term loans taken from consortium of banks and financial intuitions. As a result, the lenders have classified the term loan as non-performing asset and have recalled the entire facilities extended to the company. As result of that, the term loans have become repayable on demand, Company has not received borrowing statements and confirmation of borrowing balances from lenders. Accordingly, we are not in a position to comment on the interest not accounted etc. and the impact of the same on the consolidated financial statements.

The Concession Agreement being the sole agreement executed by the Company, termination of the same has now resulted into liquidation basis of accounting which has been adopted in preparation of these financial statements of GVK DKEPL. The company has recorded receivable from NHAI after setting off toll assets and other related future liabilities, which is subject to decision and process of arbitration between Company and NHAI.

GVK DKEPL based on its internal assessment is confident that it will be able to recover the balance amount spent on the project till date including its various claims and accordingly the management believes that it is appropriate to recognize total assets aggregating to Rs.44,008 lakh; comprising Rs.43,637 lakh as Other Non-Current assets, Rs.9 lakh as Property Plant & Equipment and Rs 362 Lakh as the Current Assets on March 31, 2024 at carrying value in the financial statements. Considering the litigation and uncertainties, we are not in a position to comment on the recoverability of these assets as well as claims made by respective parties.

The auditors of GVKDEPL have given an EOM in this regard in their audit report dated 29th April 2024.

ix. Note 53 to the consolidated financial statements regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the holding company by us including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against Mumbai International Airport Limited (MIAL), Vice Chairman & erstwhile CFO of the Holding Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the chargesheet has been taken and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that

the charges are unsubstantiated and no offence u/s section 420 IPC is made out as there is no loss to AAI, Government, or any Tax Authorities as alleged.

In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the un relied documents and un relied statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on 27.06.2024.

The Audit Committee of the Holding Company, based on the legal advice received by the Audit committee of Mumbai International Airport Limited (MIAL), have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings with cases related to CBI and ED, the implications, if any, that may arise on the GVKPIL group can't be ascertained and the impact if any of the same on the consolidated financial statements cannot be commented upon.

- x. We draw attention to Note 51 to the consolidated financial statements regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company. GVK SEZ has Investment Property having book value of Rs.11,655 Lakh as on 31st March 2024. GVK SEZ stood as a Guarantor and mortgaged its land having book value as mentioned above (admeasuring 2,506.25 Acres) to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVKPIL (the Holding Company). GVKPIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, Canara bank has not issued a no due certificate and has not returned the original title documents by exercising the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVKPIL. GVKPIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian Contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on March 31, 2024, the status remains the same. The matter is under litigation. Pending these litigations, the impact of the same on the GVKPIL Group is not determinable.

#### 4. Emphasis of Matter

- i. We draw attention to Note 55 to the consolidated financial statements regarding sale of majority holding of GVK Airport Developers Limited (GVKADL) by company to Adani Airport Holding Limited (AAHL) as per binding co-operation agreement dated August 31, 2020 and other related transaction documents. AAHL has acquired and hold the securities as per co-operation agreement at the end of the financial year. The management considered the company as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.112,464 Lakhs held by AAHL as per co-operation agreement in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of company in the consolidated financial statements. These investments in OCDs made by AAHL are yet to be transferred in the name of the company.
- ii. We draw attention to Note No 47(d) and 47(e) of the consolidated financial statements regarding the financial statements of Alaknanda Hydro Power Company Ltd, a stepdown subsidiary of the Holding Company, the following matters:
- a) As per Note 47(d) to the consolidated financial statements, regarding Uttar Pradesh Power Corporation Limited (UPPCL) appeal before Appellate Tribunal for Electricity (APTEL) challenging UPERC's determination of Normative Annual Plant Availability Factor (NAPAF) for Multi Year Tariff (MYT) for the years 2015-19 and 2019-24. The AHPCL has submitted its responses to APTEL against the said appeal. Accordingly, in the opinion of the management the appeal filed by UPPCL is not tenable and no provision is required in this regard.
- b) Note no 47 (e) to the statement, regarding recoverability of reimbursement of water tax based on management legal assessment with respect to (i) applicability of water tax on water drawn for generation of electricity as demanded by Uttarakhand water resources management regulatory commission ("UWRMRC") as per provisions of the Uttarakhand water management and regulatory act, 2013 and (ii) claiming the same from Uttar Pradesh power corporation limited ("UPPCL") as reimbursement under change in law by amending power purchasing agreement with UPPCL ("PPA") for the



## GVK Power & Infrastructure Limited

period August,2022 to March,2024. The claim made by the AHPCL for the period august,2022 to October ,2022 is not accepted by UPPCL vide their letter dated June 16,2023 on the ground that the AHPCL has not followed the change in law provision & stipulations under the PPA and the AHPCL's application before UPERC for amendment to PPA for reimbursement of water tax under the provisions of change in law. UPERC vide its order dt.01 April, 2024 has directed UPPCL to make interim payment against proof of payment of water tax paid by AHPCL from August, 2022 onwards and continue to make interim payment. In case Hon'ble High Court of Uttarakhand decides levy of water tax is null & void, AHPCL shall be required to be claim refund from Uttarakhand Government along with carrying cost and the same shall be released to UPPCL along with such carrying cost.

The issue above is reported as Emphasis of Matter by the auditors in their audit report on the standalone financial statements of Alaknanda Hydro Power Company Ltd. (AHPCL), subsidiary of GVKEL vide their audit report dated April 24, 2024.

- iii. We draw your attention to note no.50 of Consolidated Financial statements, regarding GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), a subsidiary of the holding company, GVK Ratle had entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVK Ratle started the project development and had spent/paid advances to the tune of Rs.101,552 lakhs (till March 31,2021) on various works. However, there were significant delays in the construction of the project due to the impediments like land acquisition and execution of land, leases, issues in relation to working conditions, disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc.

GVK Ratle requested for termination of project and offered for an amicable settlement. JKPDD rejected such settlement offer stating that the delays tantamount to event of default from GVK Ratle. GVK Ratle had initiated the arbitration process and Tribunal vide its order dated 11th July'20 and rectification order dated 7th September'20 had accepted the contentions of GVK Ratle and had given an award of Rs.29,048 Lakhs in favor of GVK Ratle. Not satisfied with the order, GVK Ratle has filed an appeal before district court, Kishtwar on 8th December,2020 against the said award, which is challenged by JKPDD and court granted the stay on proceedings. Meanwhile, GVK Ratle has filed an appeal before Supreme Court, the supreme court stayed all proceedings before the District Court, Kishtwar until it decides the issue relating to applicability of J&K Arbitration Act, 1997, even after it was repealed by J&K State Reorganization Act, 2019. The matter is yet to be listed for hearing before the Supreme Court.

GVK Ratle had also entered into a settlement agreement with its lender on 24th November'21 and the award realized from the JKPDD will be paid to lender as per the settlement agreement. Considering the fact of termination of the project and settlement with the lenders, the GVK Ratle has adopted the liquidation basis of accounting in preparation of these financial statements and treated the amount recoverable as per award as its asset with similar amount payable to lender as its liability as per settlement agreement.

Similar matter has been included as an Emphasis of matter paragraph (EOM) in the audit report on the standalone financial statements of GVK Ratle Hydro Electric Project Private Limited, the stepdown subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated April 25, 2024.

- iv. We draw attention to the following matters disclosed in Note 49 (C) to the consolidated financial statements regarding the financial statements of GVK Transportation Private Ltd (GVKTPL), subsidiary of the holding company which states that GVKTPL has given the corporate guarantee to the lender (Yes Bank Ltd.) who has assigned the debt to J.C. Flowers Asset Reconstruction Pvt Ltd. Due to above default in repayment of loan by GVKDKEPL, J.C. Flowers Asset Reconstruction Pvt Ltd, has invoked the corporate guarantee and filed the petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKTPL on February 24, 2022 and the next hearing of the case is scheduled on May 29, 2024 for orders.

## 5. Management's and Board of directors Responsibility for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in the equity of the group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

## **6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the significance of the matters involving uncertainties, described in the "Basis of Disclaimer of opinion" section of our report, notwithstanding having obtained sufficient appropriate audit evidence regarding each most of the individual uncertainties, it is not possible for us to form an opinion on the Consolidated financial Statements due to the potential interaction of the uncertainties and their possible cumulative effect on these Consolidated Financial Statements.

We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) and the provisions of Companies Act 2013 that are relevant to our audit of the financial statements in India under the Companies Act 2013 and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies Act 2013.

## **7. Other Matters**

We did not audit annual financial statements of 14 subsidiaries included in the consolidated audited financial statements, whose annual financial reflects (before adjustments for consolidation) total assets of Rs. 9,49,147 Lakhs and net assets (total equity) of Rs. 2,26,954 Lakhs as at March 31, 2024, revenues from operations of Rs.1,08,011 Lakhs, total net loss after tax of Rs.19,213 Lakhs and total comprehensive loss of Rs.19,124 Lakhs, for the year ended March 31, 2024, respectively, as considered in the consolidated financial statements. These annual financial statements have been audited by respective auditors. The Independent Auditors reports on financial statements /financial information of these entities have been furnished to us and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in paragraph above.

The consolidated audited financial statements include the GVKPIL group's share of one associate, whose interim financial statements reflect (before adjustments for consolidation) GVKPIL Group's share of profit of Rs. 2,46,903.47 Lakhs (USD 296.14 Million) for nine months ended March 31, 2024 which is adjusted against the previous losses.

Because of the matters involving uncertainties, described in the "Basis of Disclaimer of opinion" section of our report, we are unable to comment on the resultant impact on the consolidated financial statements in respect of above matters with respect to our reliance on the work done and the reports of the other auditors.

## **8. Report on Other Legal and Regulatory Requirements**

8.1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" / "CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in

## GVK Power & Infrastructure Limited

the Auditor's report, according to the information and explanations given to us, the details of qualifications / adverse remarks made by respective auditors of the subsidiaries, associates and joint ventures in the CARO reports of the respective companies included in the consolidated financial statements are as follows:

Sr. No	Name of the company	CIN	Type of company (Holding/ Subsidiary/ Associate/Joint Venture)	Clause number of the CARO Report which is qualified or Adverse
1	Alaknanda Hydro Power Company Limited	U40100TG1996PLC074796	Subsidiary	(vii) (a), (b) & (ix)(a), (b)
2	GVK Coal (Tokisud) Company Private Limited	U10101TG2005PTC047275	Subsidiary	(vii)(a), (viii)
3	GVK Deoli Kota Expressway Private Limited	U45209TG2010PTC067999	Subsidiary	(vii) (a), (ix) (a) & (xvii)
4	GVK Bagodara Vasad Expressway Private Limited	U45200TG2011PTC072500	Subsidiary	(vii) (a), (ix) (a) & (xvii)
5	GVK Airport Services Private Limited	U45400TG2007PTC054816	Subsidiary	(iii)(b), (xvii)
6	GVK Developmental Projects Private Limited	U74140DL2006PTC156789	Subsidiary	(iii)(b), (xviii)
7	Sutara Roads & Infra Limited	U45300TG2015PLC099082	Subsidiary	(iii)(b) & (xvii)
8	GVK Ratle Hydro Electric Project Pvt Ltd	U40108TG2010PTC069067	Subsidiary	(xvii)
9	GVK Jaipur Expressway Limited	U45203TG2002PLC063406	Subsidiary	(iii)(b) (c) (f), (vii) (a),(b), (xvi) (d), (xix)
10	GVK Perambalur SEZ Private Limited	U45209DL2006PTC156157	Subsidiary	(xvii)
11	GVK Transportation Private Limited	U63030TG2009PTC064808	Subsidiary	(vii)(b), (xix)

8.2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that

- We have sought and obtained all the all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- Due to the effects/possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether proper books of account as required by law have been kept so far as it appears from our examination of those books and report of the other auditors.
- The Consolidated balance sheet, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these Consolidated Financial Statements.
- Due to the effects/possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014.
- Due to the effects/possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether they have adverse effect on the functioning of the Group and its associate.
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Group companies incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
- With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associates and its joint ventures and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses a disclaimer of opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statement.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:
  - Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer notes 39 to the consolidated financial statements.



- ii. Due to the effects/possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Group has long term contracts as at March 31, 2024 for which there were no material foreseeable losses. Also, the company did not have any derivative contracts as at March 31, 2024.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding Company during the year ended March 31, 2024;
- iv. (a) The Management has represented and refer Note no.57 to the consolidated financial statements, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, associates companies and joint venture companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies, associates companies and joint venture companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented and refer Note no.57 to the consolidated financial statements, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies, associates companies and joint venture companies incorporated in India from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or its subsidiary companies, associate companies and joint venture companies incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above we are unable to state whether the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies Act (Audit and Auditor's) Rules, 2014 as provided under (a) and (b), contain any material mis-statement.
- v. The Holding Company has neither declared nor paid any dividend during the year
- vi. Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the company, subsidiaries, have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, did not come across any instance of audit trail feature being tampered with.
- As reported by the Auditors of AHPCL, "audit trail feature was enabled with effective from 19 October, 2023 and the same has operated therefrom throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account".
  - In case of GVKCTPL and GVK Ratle, no audit trail feature noted in Tally system used by these companies.
  - The feature of recording audit trail (edit log) facility was not enabled at the database level at GVKPIL Group to log any direct data changes for the accounting software used for maintaining the books of account.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For T R Chadha & Co LLP,**  
Chartered Accountants  
FRN: -067111N\N500028

**Sheshu Samudrala**  
(Partner)  
Membership No-235031  
UDIN: 24235031BKCTTZ5035

Date: 28.05.2024  
Place: Hyderabad

## Annexure-A to the Independent Auditor's Report

**Annexure-A to the Independent Auditor's Report on the consolidated financial statements of GVK Power & Infrastructure Limited for the year ended 31 March 2024**

**Report on the Internal Financial Controls with reference to aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.**

**Referred to in paragraph 8.2 (h) under 'Report on other legal and regulatory requirements' section of our report even date**

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of GVK Power & Infrastructure Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

### **Management's and Board of Directors' Responsibility for Internal Financial Controls with reference to financial statements**

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate company and joint ventures, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Also refer to the Basis of Disclaimer of Opinion section of our main audit report.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.
4. Because of the matter described in Disclaimer of Opinion paragraph below, it is not possible for us to form an opinion on internal financial controls system with reference to financial statements of the Holding Company.

### **Meaning of Internal Financial Controls with reference to financial statements**

5. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Basis for Disclaimer of Opinion**

6. According to the information and explanations given to us and based on our audit and subject to the Basis for Disclaimer of Opinion paragraphs in our main report, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to Consolidated Financial Statements as at March 31, 2024:
  - a) The Holding Company's internal financial controls for determining whether adjustments are required to the carrying value

of investments, receivables and whether any liability to be recognized for the financial assistance, corporate guarantees and commitments given to an associate and joint venture of the Holding Company were not operating effectively, which could potentially result in non-recognition of provision with regard to the aforesaid financial statement line items (Refer paragraphs 3 of our main audit report).

- b) We draw your attention to the following disclaimer of opinion on internal financial control over financial statements of the consolidated financial statements of GVK Energy Limited (GVKEL), a subsidiary of the Holding Company issued by us vide our report dated May 27, 2024 reproduced by us as under:

“The Holding Company’s internal financial controls for determining whether adjustments are required to the carrying value of investments, receivables and whether any liability to be recognized for the financial assistance, corporate guarantees and commitments given to an associate and joint venture of the Holding Company were not operating effectively, which could potentially result in non-recognition of provision with regard to the aforesaid financial statement line items (Refer paragraphs 3 of our main audit report)”.

### Disclaimer of Opinion

7. Because of the significance of the matters involving uncertainties, described in the “Basis of Disclaimer of opinion” paragraph above, notwithstanding having obtained sufficient appropriate audit evidence regarding most of the individual uncertainties, it is not possible for us to form an opinion whether the Holding Company had adequate internal financial controls with reference to Consolidated financial statements and whether such internal financial controls were operating effectively as at March 31, 2024 based on the internal control with reference to Consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.
8. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group, its associates and its joint ventures for the year ended March 31, 2024, and these material weaknesses has affected our opinion on the financial statements of the Group and we have issued a qualified opinion on the financial statements for the year ended on that date. (Also refer Basis for Qualified Opinion of the main audit report).

### Other Matters

9. We did not audit internal financial control with reference to 14 subsidiaries included in the consolidated audited financial statements, whose annual financial reflects (before adjustments for consolidation) total assets of Rs. 9,49,147 Lakhs and net assets of Rs. 2,26,954 Lakhs as at March 31, 2023, revenues from operations of Rs.1,08,011 Lakhs, total net loss after tax of Rs.19,213 lakhs and total comprehensive loss of Rs.19,124 Lakhs, for the year ended March 31, 2024, respectively, as considered in the consolidated financial statements. The consolidated audited financial statements include the group’s share of one associate, whose interim financial information reflect (before adjustments for consolidation) total net loss after tax Nil, total comprehensive net loss of Rs Nil for nine months ended March 31, 2024, as considered in the consolidated audited financial statements.

The internal financial control with reference to financial statements in so far as it relates to such subsidiary companies, associate and joint ventures have been audited by other auditors whose reports have been furnished to us by the Management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements for the Holding Company, its subsidiary companies, associates and joint venture companies, as aforesaid under Section 143 (3) (i) of the Act in so far as it relates to such subsidiary companies, associate company and joint venture companies is based solely on the reports of the auditors of such companies.

**For T R Chadha & Co LLP,**  
Chartered Accountants  
Firm Registration No. 006711N/N500028

**Sheshu Samudrala**  
(Partner)  
Membership No-235031  
UDIN: 24235031BKCTTZ5035

Date: 28 May 2024  
Place: Hyderabad

## Consolidated Balance Sheet as at March 31, 2024

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment and Intangible asset</b>			
Property, plant and equipment	3	351,308	373,433
Investment Property	4	11,655	11,655
Intangible assets	5	2	196
Right of use asset	5	780	834
<b>Financial assets</b>			
Investments including in joint ventures and associates (accounted under equity method)	6	7,136	7,136
Bank balances other than cash and cash equivalents	7	29,676	155
Other non-current financial assets	8	101,049	101,048
Deferred tax assets (net)	9	16,976	12,841
Tax assets (Net)		1,640	2,392
Other non-current assets	10	542	553
<b>Total</b>		<b>520,764</b>	<b>510,243</b>
<b>Current Assets</b>			
Inventories	11	1,113	906
<b>Financial assets</b>			
Investments	12	131,859	142,993
Trade receivables	13	4,908	4,803
Cash and cash equivalents	14	50,458	50,808
Loans	15	2,052	751
Other financial assets	16	55,205	49,527
Current tax assets		7,496	7,338
Other current assets	17	7,067	1,568
<b>Total</b>		<b>260,158</b>	<b>258,694</b>
<b>Total Assets</b>		<b>780,922</b>	<b>768,937</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	18	15,792	15,792
Other equity		(134,041)	(130,924)
<b>Equity attributable to owners of the Group</b>		<b>(118,249)</b>	<b>(115,132)</b>
Non-controlling interests		174,526	160,433
<b>Total Equity</b>		<b>56,277</b>	<b>45,301</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	312,805	336,404
Other financial liabilities	20	12,324	12,324
Provisions	21	12	5
Deferred tax liabilities (net)	22	127	81
<b>Total</b>		<b>325,268</b>	<b>348,814</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	23	147,109	147,474
Trade payables - Total outstanding dues of:	24		
- micro and small enterprises		53	42
- other than micro and small enterprises		1,131	2,321
Other financial liabilities	25	236,097	213,331
Other current liabilities	26	13,960	8,405
Provisions	27	928	1,340
Current tax liabilities (net)		99	1,909
<b>Total</b>		<b>399,377</b>	<b>374,822</b>
<b>Total Liabilities</b>		<b>724,645</b>	<b>723,636</b>
<b>Total Equity and liabilities</b>		<b>780,922</b>	<b>768,937</b>

Summary of significant accounting policies

1 &amp; 2

The accompanying notes form an integral part of the Consolidated IND AS financial statements

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

DDate: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730



## Consolidated Statement of Profit and Loss Year ended March 31, 2024

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>INCOME</b>			
Revenue from operations	27	108,014	212,036
Other income (net)	28	7,499	5,870
<b>Total income</b>		<b>115,513</b>	<b>217,906</b>
<b>EXPENSES</b>			
Cost of materials consumed		-	49,353
Employee benefits expense	29	1,936	2,513
Finance costs	30	53,373	107,371
Depreciation and amortisation expense (net)	31	22,702	39,974
Other expenses	32	13,414	28,378
<b>Total expenses</b>		<b>91,425</b>	<b>227,589</b>
Profit/(Loss) before share of profit/(loss) from associate & joint venture and tax expense		<b>24,088</b>	<b>(9,683)</b>
Exceptional item (net)		-	324,200
Share of profit of joint venture		(71)	(225)
<b>Profit/(Loss) before tax for the year</b>		<b>24,017</b>	<b>314,292</b>
<b>Tax expense</b>	33		
Current tax		7,018	14,201
Income tax/MAT Credit of earlier years		964	63
Deferred tax		(5,086)	(7,080)
<b>Total tax expense</b>		<b>2,896</b>	<b>7,184</b>
<b>Profit/(Loss) for the year</b>		<b>21,121</b>	<b>307,108</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified subsequently to profit or loss</b>			
(a) Remeasurements of post employment benefit obligations		12	85
(b) Tax relating to above items			
Tax expense		-	(7)
Deferred tax		-	7
<b>B. Items that may be reclassified to profit or loss</b>			
(a) Exchange differences in translating the financial statements of foreign operations		78	(124)
		<b>90</b>	<b>(39)</b>
<b>Total comprehensive Profit/(Loss) for the year</b>		<b>21,211</b>	<b>307,069</b>
<b>Profit/(loss) for the year attributable to:</b>			
- Owners of the Company		2,040	243,894
- Non controlling interests		19,081	63,214
		<b>21,121</b>	<b>307,108</b>
<b>Other Comprehensive Income Attributable to :</b>			
- Owners of the Company		88	(55)
- Non controlling interests		2	16
		<b>90</b>	<b>(39)</b>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
- Owners of the Company		2,128	243,839
- Non controlling interests		19,083	63,230
		<b>21,211</b>	<b>307,069</b>
<b>Earnings per equity share (Equity shares, par value of Re. 1 each)</b>			
<b>Basic and Diluted earnings per share in Rs</b>		<b>0.13</b>	<b>15.44</b>
<b>Summary of significant accounting policies</b>	<b>1 and 2</b>		

The accompanying notes form an integral part of the Consolidated IND AS financial statements

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730

## Consolidated cash flow statement Year ended March 31, 2024

(All amounts in INR lakhs, except share data and where otherwise stated)

		Year ended March 31, 2024	Year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit/(Loss) before tax</b>		<b>24,017</b>	<b>314,292</b>
<b>Adjustments for:</b>			
Depreciation and amortisation (net)		22,702	39,974
Interest income		(5,201)	(3,798)
Liabilities written back/ Reversal of previous year expenses		(180)	(286)
Income from investment		(1,857)	(1,013)
Loss (Profit) on sale of assets/ Investments written off (net)		5	(363)
Interest expense		53,178	107,371
Share of loss in joint venture		71	225
Advances written off		12	42
Loss on exchange fluctuation (net)/ Other non cash expenses		(99)	(40)
Provision for doubtful debts/ Liquidated Damages		-	145
Exceptional item (net)		-	(324,200)
Provision for Periodic overlay		-	3,351
<b>Operating Profit before Working Capital Changes</b>		<b>92,648</b>	<b>135,700</b>
<b>Change in operating assets and liabilities:</b>			
Decrease/(Increase) in trade receivables		(105)	993
Decrease/(Increase) in Inventories		(207)	(92)
Decrease / (Increase) in Contract Assets		-	-
Decrease/(Increase) in Financial Assets loans, others, other current and non current assets		(4,921)	5,511
(Decrease)/Increase in Provisions		(405)	(73)
Increase in Trade payables, other financial liabilities and current liabilities		372	35,169
<b>Cash Generated from Operations</b>		<b>87,382</b>	<b>177,208</b>
Taxes (paid)/refund (net)		(7,985)	(15,163)
<b>Net Cash flow from Operating Activities</b>	<b>(A)</b>	<b>79,397</b>	<b>162,045</b>
<b>B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>			
Proceeds/ (Purchase) of fixed assets (including Capital work-in-progress and Capital advances net of capital creditors)		(950)	380
(Purchase) / proceeds from sale of current investments (net)		11,134	(11,630)
Loans (given) to / taken from related parties and others (net)		(1,301)	(1,464)
(Investment)/ Realization of bank deposits (Fixed deposits with maturity of more than 12 months)		(29,521)	-
Interest received		4,740	2,953
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>(B)</b>	<b>(15,898)</b>	<b>(9,761)</b>
<b>C. CASH FLOW USED IN FINANCING ACTIVITIES</b>			
Payment towards Purchase of Non controlling interest		-	-
Repayment of long term borrowings		(22,395)	(56,510)
Repayment/ Proceeds from short term Loans and advance (net)		(1,617)	(37,077)
Interest paid		(39,837)	(54,798)
<b>Net Cash flow used in Financing Activities</b>	<b>(C)</b>	<b>(63,849)</b>	<b>(148,385)</b>

		Year ended March 31, 2024	Year ended March 31, 2023
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(350)</b>	<b>3,899</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>50,808</b>	<b>55,485</b>
Add: Upon addition and deletion of subsidiaries		-	(8,576)
<b>Cash and Cash Equivalents at the end of the year</b>		<b>50,458</b>	<b>50,808</b>
<b>Components of cash and cash equivalents as per cash flow statement</b>			
Balance with banks:			
Current accounts		5,589	14,185
Deposit accounts		44,869	36,614
Cash		-	9
<b>Total Cash and Cash Equivalents</b>		<b>50,458</b>	<b>50,808</b>

The accompanying notes form an integral part of the Consolidated IND AS financial statements

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730

## Consolidated Statement of changes in equity as at March 31, 2024

(All amounts in INR lakhs, except share data and where otherwise stated)

### a. Equity

Equity shares of INR 1 each issued, subscribed and fully paid	Number of shares	Rs. in Lakhs
Issued and Paid up Capital at April 1, 2022	1,579,210,400	15,792
Issued during the year	-	-
Balance at March 31, 2023	1,579,210,400	15,792
Issued during the year	-	-
<b>As at March 31, 2024</b>	<b>1,579,210,400</b>	<b>15,792</b>

### b. Other Equity

	Attributable to owners of GVK Power & Infrastructure Limited							Non Controlling Interests	Total
	Reserves and Surplus					Items of OCI	Total Other Equity		
	Loss on Treasury Shares	Capital Reserve	Securities premium reserve	General reserve	Retained earnings	Foreign Currency Translation Reserve			
As at March 31, 2022	(1,661)	1,517	384,643	952	(786,214)	1,021	(399,742)	76,216	(323,526)
Profit/(loss) for the year	-	-	-	-	243,894	-	243,894	63,214	307,108
Add: Upon addition and deletion of subsidiaries	-	-	-	-	24,979	-	24,979	20,987	45,965
Other comprehensive income	-	-	-	-	69	(124)	(55)	16	(39)
As at March 31, 2023	(1,661)	1,517	384,643	952	(517,272)	897	(130,924)	160,433	29,509
Profit/(loss) for the year	-	-	-	-	2,040	-	2,040	19,081	21,121
Additions and deletions during the year	-	(1,512)	-	-	(3,733)	-	(5,245)	(4,990)	(10,235)
Other comprehensive income	-	-	-	-	10	78	88	2	90
Balance as at March 31, 2024	(1,661)	5	384,643	952	(518,955)	975	(134,041)	174,526	40,485

The accompanying notes form an integral part of the Consolidated IndAS financial statements

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730



## Notes to the consolidated financial statements as at March 31, 2023

(All amounts in INR lakhs, except share data and where otherwise stated)

### 1 Corporate information

GVK Power & Infrastructure Limited ("Parent Company") is primarily engaged in the business of providing operation and maintenance services, manpower & consultancy services and incidental services to owners of power plants, airports and infrastructure companies. The Parent Company together with its subsidiaries (collectively termed as "the Group"), joint ventures and associates are engaged in constructing and operating power plants, highway projects, exploration of coal mines and airports (discontinued operations).

These group consolidated financial statements have been approved by the Company's Board of Directors and authorized for issue on May 28, 2024.

### 2 Material accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of GVK Power & Infrastructure Limited (the 'Company') and its subsidiaries, associates and joint ventures.

#### 2.1 Basis of preparation

- i. Compliance with Ind AS: The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.
- ii. Historical cost convention: The consolidated financial statements have been prepared on a historical cost basis, except certain financial instruments measured at fair value (refer accounting policy of financial instruments).

#### 2.2 Basis of consolidation

##### i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the group. They are deconsolidated from the date control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides an evidence of impairment of the transferred asset. Accounting policies of subsidiaries are in accordance with the group accounting policies. The acquisition method of accounting is used to account for business combinations by the group.

Non controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Balance Sheet respectively.

##### (ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see iv below), after initially being recognised at cost. Also refer note 47.

##### (iii) Joint arrangements

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures accounted for using the equity method (see (iv) below), after initially being at cost.

##### (iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint controlled entity are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment.

### (v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## 2.3 Summary of material accounting policies

### a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### b. Fair value measurement

The Group measures financial instruments, such as, Investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to discharge a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or discharge the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, The Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### c. Foreign currencies

The financial statements are presented in Indian rupees lakhs, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that are designated as part of the hedge of The Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfactory performance obligation is measured at the amount of transaction price (Net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as a part of the contract. The Company has concluded that it is the principal in all of its

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

### Revenue from Contract with customer

Revenue from contract with customer is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principle in its revenue arrangements, because it typically controls the services before transferring them to the customer.

### Sale of power

Revenue from Sale of Power is recognised, when power is supplied to the Uttar Pradesh Corporation limited which coincides with generation of power, in accordance with the provisions of PPA. Tax reimbursements from UPPCL is recognised based on the admittance by the UPPCL

### Rendering of services:

#### (i).Rendering of operation and maintenance services:

Revenues represent amounts billed or accrued for services rendered and expenses incurred in relation to such services, in accordance with the Operation and Maintenance agreement with its customer. As per the operations and maintenance agreements, the Holding Company's income comprises of (a) Operating fees and (b) Reimbursement of actual expenses. Operating fees are linked to generation of electricity including deemed generation and is subject to escalations.

#### (ii).Manpower and consultancy services:

Income from Manpower and Consultancy services is recognised as per the terms of the agreement on the basis of services rendered.

Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the concessionaires.

### Income from Toll Operations

The revenue is recognised as and when traffic passes through toll - plazas.

### Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is included in finance income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except the interest income received from customers for delayed payments which is accounted on the basis of reasonable certainty/realisation.

### Dividend Income

Revenue is recognised when the share holders'/unit holders' right to receive the payment is established, which is generally when shareholders approve the dividend.

### Export Incentives

Export incentives (Service Exports from India Scheme) from Government authorities are recognised in income statement when there is no significant uncertainty regarding the ultimate collection and amount can be measured reliably.

### Guarantee commission

Revenue is recognised on a straight line basis taking into account the present value of the guarantee amount and the commission rate applicable.

## e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is reduced from the related expense which it is intended to compensate. When the grant relates to an asset, a deferred income is recognised and is released to profit or loss on systematic basis over useful life of the asset and is reduced from the related depreciation and amortisation expenses.



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### f. Taxes

#### Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### g. Non-current assets held for sale

The Group classifies non-current assets and disposal groups (group of assets with directly associated liabilities) as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Non-current assets and disposal groups as held for sale/ distribution are sold /distributed within one year from the date of classification.

Non-current assets held and disposal groups for sale/ distribution to owners are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale/ distribution to owners are not depreciated or amortised.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### h. Property, plant and equipment

Property, plant and equipment including land are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction/erection period is capitalized as part of the construction/erection cost to the extent such expenditure is related to construction or is incidental thereto.

Subsequent expenditure incurred on existing property, plant and equipment is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance. Property, plant and equipment which are significant to the total cost the item of Property, plant and equipment having difference useful life are accounted and depreciated separately."

However, the group, based on technical assessment made by technical expert and management estimate, depreciates below mentioned assets at estimated useful life which are different from the useful life prescribed in the aforesaid order and Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair appropriate time period over which the assets are likely to be used.

Asset Class	Useful Life
Buildings (other than factory buildings) other than RCC Frame Structure	5 to 30 years
Buildings - Temporary Structure	5 years
Runways, taxiways and aprons	3 - 30 years
Roads	5 - 10 years
Vehicles	8 Years
Electrical Installations & Equipment	5 - 10 years
Plant and Equipment	7.5 - 10 years
Furniture and fittings	10 years
Office Equipment	2 to 5 years

Further depreciation on assets covered under definition of "Generating Station" as defined in "Central Electricity Regulatory Commission (Terms and Conditions of Tariff ) Regulations, 2014" is provided under Straight Line Method at the rates and the manner prescribed under the State Regulations if they prescribe rates and the manner of depreciation else on the basis of rates and manner prescribed in Central Regulations.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Spare parts, standby equipments and service equipments are recognised in accordance with Ind AS 16 'Property, Plant and Equipment', when they meet the definition of property, plant and equipment

The enabling cost incurred in connection with the main asset is capitalised along with the main asset. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

### i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Intangible assets are amortised on a straight line basis over the estimated useful economic life.

### j. Investment property

Investment properties is property either to earn rental income or for capital appreciation or for both but not for sale in ordinary course of business, use in production or supply of goods or services or for administrative purpose. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### k. Concession intangible and financial assets

Some companies in the Group constructs infrastructure (construction services) and operates and maintains that infrastructure (operation services) for a specified period of time.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the company bears the demand risk. The financial asset model is used when the company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.

If the company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

- An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered.
- The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised over the duration of the concession.
- In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

### l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### m. Leases

The Group, at the inception of a contract, assesses whether the contract is a lease or not a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

Group as a lessee:

Effective April 1, 2019, the Group has adopted Ind AS 116 on 'Leases' using Modified Retrospective Method

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset. There is no effect of adoption of Ind AS 116 Leases on retained earnings as at 01st April, 2019

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

The carrying amount of lease liabilities is re-measured on modification due to a change in the lease term or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments, change in escalation rate) or a change in the assessment of an option to purchase the underlying asset.

Group as a lessor:

Operating lease

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of assets are called as operating leases. Effective April 1, 2019 the Group has adopted Ind AS 116 on 'Leases'. Rental income from operating lease is recognised on a straight line basis over the lease term.

### n. Inventories

Inventories in the form of stores and spare parts held for use in rendering of services are valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

### o. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceeds its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

### p. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### q. Retirement and other employee benefits

#### Defined Contribution plan

Retirement and other employee benefit in the form of provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution scheme and the Group recognizes contribution payable to the fund/ scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### Defined benefit plan

The group provides for retirement benefit in the form of gratuity. The group's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

Remeasurement, comprising of actuarial gains and losses, (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the group recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The group recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under short term provision in the Balance Sheet. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss.

### r. Financial instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss.

##### Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### - Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

### Debt Instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cashflows and selling the financial assets, and
- The asset's contractual cashflows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. FairValue movements are recognised in the other comprehensive income(OCI). However, the group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instruments at FVTPL

FVTPL is a residual category for debt instruments.

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as at FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all the changes recognised in the profit & loss.

### Equity Investment

All equity investments in scope of Ind AS 109 are measured at fair value

Equity instruments which are held for trading are classified as at FVTPL.

For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity investment classified as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in the OCI. there is no recycling of the amounts from OCI to profit & loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity Instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit & loss.

### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the group

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

### Impairment of financial assets

Each Company in the Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at FVTOCI;

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### Financial liabilities

#### Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss. "

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to profit & loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

### - Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss."

### Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. There are no reclassification of financial assets.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### s. Treasury shares:

The group has created GVK Employee Welfare Trust (EWT) for welfare of its employees. The EWT buys shares of the group from the market, for welfare of the employees. The group treats EWT as its extension and shares held by EWT are treated as treasury shares. Own equity instruments that are reacquired (treasury shares) are recognised at cost and are disclosed under other equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity.

### t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of twelve months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### u. Contingent Assets and Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Ind AS financial statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

### v. Trade Receivables

Receivables are initially recognized at fair value, which in most cases approximates the nominal value of consideration receivable. If there is a subsequent indication that those assets may be impaired, they are reviewed for impairment and an allowance is recognized.

### w. Trade Payables

Trade Payables are recognized for amounts to be paid for goods or services acquired in the ordinary course of the business whether billed by the supplier/service is provided or not. Trade payables are classified as current liabilities.



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### x. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature."

### y. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### z. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### 3. Property, plant and equipment

Description of Assets	Freehold land	Buildings	Computers	Plant and equipment/ Capital spares	Tools and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Communication Equipment	Total
<b>Gross Carrying Amount</b>											
<b>At March 31, 2022</b>	<b>20,280</b>	<b>447,777</b>	<b>174</b>	<b>522,199</b>	<b>100</b>	<b>297</b>	<b>205</b>	<b>267</b>	<b>526</b>	<b>22</b>	<b>991,847</b>
Addition and deletion of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Additions/Adjustments	18	-	29	(203)	-	37	4	-	13	-	(102)
Disposals/Adjustments	(73)	-	-	-	-	(1)	(1)	-	(72)	(1)	(148)
Deconsolidation	(18,209)	(70,031)	(101)	(353,636)	-	(128)	(128)	-	(23)	-	(442,256)
<b>At March 31, 2023</b>	<b>2,016</b>	<b>377,746</b>	<b>102</b>	<b>168,360</b>	<b>100</b>	<b>205</b>	<b>81</b>	<b>267</b>	<b>445</b>	<b>21</b>	<b>549,341</b>
Additions and Adjustments	14	-	7	177	-	41	-	-	148	-	387
Disposals	-	-	-	(65)	-	(1)	-	-	(166)	-	(232)
<b>At March 31, 2024</b>	<b>2,030</b>	<b>377,746</b>	<b>109</b>	<b>168,472</b>	<b>100</b>	<b>245</b>	<b>81</b>	<b>267</b>	<b>427</b>	<b>21</b>	<b>549,496</b>
<b>Accumulated Depreciation</b>											
<b>At March 31, 2022</b>	-	100,036	111	177,783	74	222	171	106	288	14	278,806
Addition and deletion of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Depreciation expenses	-	13,893	33	19,793	26	24	9	16	65	3	33,862
Disposals	-	-	(0)	-	-	(0)	(1)	-	(66)	(1)	(69)
Deconsolidation	-	(15,146)	(74)	(121,243)	-	(102)	(107)	-	(20)	-	(136,691)
<b>At March 31, 2023</b>	-	98,784	70	76,333	100	144	72	122	267	16	175,908
Depreciation expenses	-	12,589	17	9,785	-	19	1	16	25	2	22,454
Disposals	-	-	-	(45)	-	(1)	-	-	(129)	-	(175)
<b>At March 31, 2024</b>	-	<b>111,373</b>	<b>87</b>	<b>86,074</b>	<b>100</b>	<b>162</b>	<b>73</b>	<b>138</b>	<b>163</b>	<b>18</b>	<b>198,187</b>
<b>Net Block</b>											
<b>At March 31, 2023</b>	<b>2,016</b>	<b>278,962</b>	<b>32</b>	<b>92,027</b>	-	<b>61</b>	<b>9</b>	<b>145</b>	<b>177</b>	<b>5</b>	<b>373,433</b>
<b>At March 31, 2024</b>	<b>2,030</b>	<b>266,373</b>	<b>22</b>	<b>82,398</b>	-	<b>83</b>	<b>8</b>	<b>129</b>	<b>264</b>	<b>3</b>	<b>351,308</b>

#### Note:

1. In AHPCL, during FY 2022-23, Rail Vikas Nigam Ltd(RVNL) has acquired land to the extent of 1.879 Hactors ( Rs 73 Lakh) under compulsory acquisition scheme for the construction of Rishikesh- Karnaprayag railway line for compensation of Rs.428.99 Lakhs . The cost of said land was disclosed as disposal from land.
2. On surrender of project by GVK Jaipur expressway limited to NHAI the book value of relevant assets are completely depreciated in the books of accounts as the same are handed over to NHAI on 9th April 2023.

### 4. Investment property-Land

Particulars	As at March 31 , 2024	As at March 31, 2023
<b>Investment property-Land</b>	11,655	11,655
	11,655	11,655

The Group's investment properties consist of vacant land having an extent of about 2600 Acres acquired by GVKPSPL, in five villages Thirumanthurai, Eraiyur, Peraiyur, Pennakonam (North) and Pennakonam (South) in Perambalur district during the year 2007 and 2008 from local villagers. This property is located on the eastern side of NH-45 just after Thirumanthurai Toll Gate when we drive from Chennai to Trichy.

This investment on property has been pledged as security against Loans taken by the group (Refer note 51)

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### 5. Intangibles

Description of Assets	Computer software	Toll collection right	Right to use of Assets	Total
<b>At Cost</b>				
<b>At March 31, 2022</b>	27.00	34,939	3,443	38,409
Addition and deletion of subsidiaries	(15)	-	(2,394)	(2,409)
Additions/Adjustments	1	-	-	1
<b>At March 31, 2023</b>	<b>13</b>	<b>34,939</b>	<b>1,049</b>	<b>36,001</b>
Addition and deletion of subsidiaries	-	-	-	-
Additions/Adjustments	-	-	-	-
<b>At March 31, 2024</b>	<b>13</b>	<b>34,939</b>	<b>1,049</b>	<b>36,001</b>
<b>Amortization and impairment</b>				
<b>At March 31, 2022</b>	<b>16.04</b>	<b>28,821</b>	<b>1,718.03</b>	<b>30,555</b>
Addition and deletion of subsidiaries	(14)	-	(1,683)	(1,697)
Amortisation/ Written off	4	5,928	180	6,113
<b>At March 31, 2023</b>	<b>7</b>	<b>34,749</b>	<b>215</b>	<b>34,971</b>
Addition and deletion of subsidiaries	-	-	-	-
Amortisation/ Written off	4	190	54	248
<b>At March 31, 2024</b>	<b>11</b>	<b>34,939</b>	<b>269</b>	<b>35,219</b>
<b>Net Block</b>				
<b>At March 31, 2023</b>	<b>6</b>	<b>190</b>	<b>834</b>	<b>1,030</b>
<b>At March 31, 2024</b>	<b>2</b>	<b>-</b>	<b>780</b>	<b>782</b>

### 6. Non-current investments

	As at March 31, 2024	As at March 31, 2023
<b>A. Unquoted, in fully paid securities (at cost)</b>		
<b>I. Investment in associate company</b>		
<b>GVK Coal Developers (Singapore) PTE Limited</b>		
50,000 (March 31, 2023: 50,000) equity shares of USD 1 each fully paid-up	25	25
17,66,31,918 (March 31, 2023: 17,66,31,918) non-cumulative redeemable preference shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.	77,510	77,510
Share application money for purchase of non-cumulative redeemable preferential shares of USD 1 each (at amortised cost)	1	1
<b>Investment in associate company</b>	<b>77,536</b>	<b>77,536</b>
Less : Provision for impairment	(77,536)	(77,536)
	-	-
<b>B. In Others</b>		
48,000,000 (March 31, 2023: 48,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Limited	7,136	7,136
	7,136	7,136
<b>Aggregate market value of unquoted investments (A+B)</b>	<b>7,136</b>	<b>7,136</b>

### 7. Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Fixed deposits with maturity of more than 12 months	29,676	155
	<b>29,676</b>	<b>155</b>

**Notes to the consolidated financial statements**

(All amounts in INR lakhs, except share data and where otherwise stated)

**8. Other financial assets (Unsecured, considered good unless stated otherwise)**

	As at March 31, 2024	As at March 31, 2023
Receivable from GSRDC (Refer note 49 (a))	58,541	58,541
Receivable From NHAI (Refer note 49 (b))	42,442	42,442
Interest accrued	6	-
Security deposits	60	65
	<b>101,049</b>	<b>101,048</b>

**9. Deferred tax assets (net)**

	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax assets</b>		
MAT Credit Entitlement	13,624	9,593
Indexation benefit on land	3,352	3,248
<b>Deferred tax assets (net)</b>	<b>16,976</b>	<b>12,841</b>

**10. Other non-current assets (Unsecured, considered good unless stated otherwise)**

	As at March 31, 2024	As at March 31, 2023
Capital advances	518	526
Balance with government authorities	24	27
	<b>542</b>	<b>553</b>

**11. Inventories**

	As at March 31, 2024	As at March 31, 2023
Stores, spares and consumables (at lower of cost and net realisable value)	1,113	906
<b>Total</b>	<b>1,113</b>	<b>906</b>

**12. Current investments**

	As at March 31, 2024	As at March 31, 2023
<b>Quoted mutual funds at fair value through statement of profit and loss</b>		
Investments in units of Mutual funds	19,395	30,529
<b>Unquoted Investment carried at amortised cost</b>		
Debentures #	112,464	112,464
<b>Total</b>	<b>131,859</b>	<b>142,993</b>

# Debentures are unlisted, unsecured, optionally convertible debentures ("OCDs") each having a face value of Rs 10 each and shall accrue a coupon at the rate of 0.01% per annum.

Number of Debentures issued by M/s Ybrant Engineering and Constructions Private Limited is 11,246.4 Lakhs (Refer note 55).

**13. Trade receivables**

	As at March 31, 2024	As at March 31, 2023
Trade receivable Considered good - Unsecured	4,908	4,803
Trade receivable credit impaired	-	-
	4,908	4,803
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>	<b>-</b>	<b>-</b>
	<b>4,908</b>	<b>4,803</b>



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	Not Due	Less than 6 Months	6 - 12 Months	1-2 Years	2-3 Years	More than 3 Years	Total
<b>As at March 31, 2024</b>							
<b>Undisputed Trade Receivables</b>							
- Considered Good	-	2,268	-	-	272	267	2,807
Unbilled Revenue	-	-	-	-	-	-	2,101
<b>Total</b>	-	2,268	-	-	272	267	4,908

	Not Due	Less than 6 months	6 months - 12 months	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>							
<b>Undisputed Trade Receivables</b>							
- Considered Good	-	2,079	19	272	183	84	2,637
Unbilled Revenue	-	-	-	-	-	-	2,166
<b>Total</b>	-	2,079	19	272	183	84	4,803

### 14. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
<b>Cash and cash equivalents</b>		
Balances with Banks		
- On current accounts #	5,589	14,185
- On deposit accounts \$	44,869	36,614
Cash on hand	-	9
<b>Total Cash and cash equivalents</b>	<b>50,458</b>	<b>50,808</b>

# March 31, 2023: Rs 12,266 which are subsequently converted to Deposits for DSRA as per the terms of the loan agreements.

\$ March 31, 2023: Rs 19,769 lakhs includes deposits for Debt Service Reserve Account (DSRA) as per the terms of the loan agreements.

### 15. Loans

	As at March 31, 2024	As at March 31, 2023
- Unsecured, considered good		
- Loans to related parties	2,052	751
- Loans to Others	-	-
	<b>2,052</b>	<b>751</b>

### 16. Other financial assets (Unsecured, considered good unless stated)

	As at March 31, 2024	As at March 31, 2023
Interest receivable	1,657	1,415
Deposits with Government, Public Bodies and Others	9,189	9,190
Security deposits	22	22
Receivables from JKPDC (Refer note 50)	29,048	29,048
Claims Receivable from Nominated Authority, MoC (Refer note 47 (a))	6,013	6,013
Others \$	9,276	3,839
	<b>55,205</b>	<b>49,527</b>

\$ Other receivables including water cess paid Rs 1,371 and Rs 7,769 Lakh payable (March 31, 2023: Rs 1,371 Lakh paid and Rs 2,285 Lakh payable) to Uttarakhand Water Resources Management Regulatory Commission (UWRMRC) is recoverable from Uttar Pradesh Power Corporation Limited as reimbursement under change in law as per the provisions Article 6.8 of Power Purchase Agreement. Refer note 47 (e).

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### Break up of financial assets carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Current investments	112,464	112,464
Trade receivables	4,908	4,803
Cash and cash equivalents	50,458	50,808
Other bank balances	29,676	155
Loans	2,052	751
Other financial assets	156,254	150,575
	<b>355,812</b>	<b>319,556</b>

### Break up of financial assets carried at fair value through statement of profit and loss (P&L)

	As at March 31, 2024	As at March 31, 2023
Current investments	19,395	30,529
Non current investments	-	-
<b>Total financial assets carried at fair value through P&amp;L</b>	<b>19,395</b>	<b>30,529</b>

### 17. Other current assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	438	731
Advances to vendors	454	2,872
Balances with government authority	676	750
	<b>1,568</b>	<b>4,353</b>

### 18. Equity share capital

	As at March 31, 2024	As at March 31, 2023
<b>Authorised share capital:</b>		
2,500,000,000 (March 31, 2023: 2,500,000,000) equity shares of Re. 1 each	25,000	25,000
<b>Issued, subscribed and fully paid-up share capital</b>		
1,579,210,400 (March 31, 2023: 1,579,210,400) equity shares of Re. 1 each	15,792	15,792

#### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of Re. 1 each fully paid up</b>				
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,579,210,400</b>	<b>15,792</b>	<b>1,579,210,400</b>	<b>15,792</b>

#### b) Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Re. 1 per share. Shareholders are eligible for one vote per share held. The dividend proposed, if any, by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution to all preferential creditors, in proportion to their shareholding.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### c) Details of shares held by promoters as on 31-03-2024 are as follows:

Promoter Name	No of Shares	% of total shares	% of change during the year
G V Krishna Reddy	68,109,487	4.31%	Nil
G V Sanjay Reddy	55,725,951	3.53%	Nil
Vertex Projects LLP	732,893,902	46.41%	Nil
<b>Total</b>	<b>856,729,340</b>	<b>54.25%</b>	<b>Nil</b>

### d) Details of shares held by promoters as on 31-03-2023 are as follows:

Promoter Name	No of Shares	% of total shares	% of change during the year
G V Krishna Reddy	68,109,487	4.31%	Nil
G V Sanjay Reddy	55,725,951	3.53%	Nil
Vertex Projects LLP	732,893,902	46.41%	Nil
<b>Total</b>	<b>856,729,340</b>	<b>54.25%</b>	<b>Nil</b>

### e) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No.	% of holding	No.	% of holding
Vertex Projects LLP (Formerly Vertex Infratech Private Limited)	732,893,902	46.41%	732,893,902	46.41%

f) No class of bonus shares have been issued as bonus shares or for consideration other than cash by the company during the period of five years immediately preceding the current year end

g) No class of shares have been reserved for issue under options.

h) No class of shares have been bought back by the company during the period of five years immediately preceding the current year end.

## 19. Non-current borrowings

	As at March 31, 2024	As at March 31, 2023
<b>Term loans - (Secured) :</b>		
From banks	301,685	313,931
From financial institutions	133,092	139,994
Others	6,435	6,872
Foreign Currency Loan from Bank	7,553	10,363
<b>Total</b>	<b>448,765</b>	<b>471,160</b>
Less: Un-amortised transaction cost	(108)	(156)
<b>Total</b>	<b>448,657</b>	<b>471,004</b>
Less: Amount classified under current borrowings	(135,852)	(134,600)
	<b>312,805</b>	<b>336,404</b>

### Entity wise details of the above long term borrowings are as follows:

Name of the entities	Non-current portion		Current maturities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
1. GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL)	-	-	51,799	51,799
2. GVK Deoli Kota Expressway Private Limited (GVK DKEPL)	-	-	60,531	60,531
3. GVK Ratle Hydro Electric Project Private Limited (GVK RHEPPL)	29,045	29,045	-	-
4. Alaknanda Hydro Power Company Limited(AHPCL)	283,760	307,359	12,744	11,492
5.GVK Coal (Tokusud) Company Private Limited (GVKCTCPL)	-	-	10,778	10,778
	<b>312,805</b>	<b>336,404</b>	<b>135,852</b>	<b>134,600</b>

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

1. GVK Bagodara Vasad Expressway Private Limited (GVKBVEPL)	As at March 31, 2024	As at March 31, 2023
Term Loans from banks	51,799	51,799

All the accounts have become Non performing assets (NPA) as on date and GVK BVEPL received recall notices from the banks and financial institutions and hence borrowings from bank and financial institution transferred under current maturities of long term borrowings.

### Term loans from banks and financial institutions are secured by way of

#### Nature of security & terms of repayment:

#### A. Indian rupee loan is secured to the extent permitted under the concession agreement by:

- (i) First charge on all the present and future tangible moveable assets, machinery spares, tools and accessories etc, save and except the Project Assets as defined under the Rupee Loan agreement.
- (ii) First charge on all the bank accounts of GVKBVEPL including Debt Service Reserve Account/Escrow accounts/its sub accounts except the Distribution Sub account. Charge on the Escrow account shall be in a manner and only to the extent of order of priorities of payment as permitted under the Escrow agreement and supplementary Escrow agreement.
- (iii) First charge on all intangibles of GVKBVEPL including goodwill, rights, undertakings and uncalled capital both present and future save and except the Project Assets as defined under the Rupee Loan agreement.
- (iv) Assignment by way of security of the right, title, interests, benefits, claims and demands of GVKBVEPL in and under all the project documents, approvals, insurance contracts, letter of credit, guarantees, liquidated damages and performance bond. Provided however, that the assignment as mentioned above shall be in accordance with and to the extent provided under the Substitution agreement.
- (v) As per Common Loan Agreement the pledge of 51% of voting equity share capital of GVKBVEPL held by the Sponsor's until the Commercial Operation Date (COD). Subject to there being no default, Pledge of shares will be gradually reduced to 33% from COD for a period of 3 years and thereafter to 26% till final settlement date, however the total registered pledged as on March 31, 2024 is 2.45% only.
- (vi) Provided further that the charges, assignment and pledge on the assets shall in all respect rank Pari Passu inter se the Lenders without any preference or priority to one over the other or others.

2. GVK Deoli Kota Expressway Private Limited (GVKDKEPL)	As at March 31, 2024	As at March 31, 2023
Term Loans from banks	50,329	50,329
Term Loans from financial institutions	10,202	10,202
	<b>60,531</b>	<b>60,531</b>

All the accounts have become Non performing assets (NPA) as on date and GVK DKEPL received recall notices from the banks and financial institutions and hence borrowings from bank and financial institution transferred under current maturities of long term borrowings.

### Term loans from banks and financial institutions are secured by way of

#### Indian rupee loan is secured to the extent permitted under the Concession Agreement by:

- (i) A first ranking pari passu charge on all the present and future immovable and moveable assets and intangible assets except the project assets as defined under the Rupee Loan agreement.
- (ii) A first ranking pari passu charge on all revenues and receivables of the Borrower from the Project or otherwise.
- (iii) Pledge of 51% of the paid-up equity shares of GVK DKEPL held by GVKTPL (the "Sponsor") until the Commercial Operation Date and Pledge of 26% of the paid-up equity shares of the GVK DKEPL held by the Sponsor for a period of 2 years from Commercial Operation Date. Further GVKDKEPL pledged 22.98% shares to security trustee for RTL-III and the total registered pledge as on March 31, 2024 is 73.98%.
- (iv) A first ranking pari passu charge/assignment by way of security of all the project documents to the extent provided under the Substitution Agreement entered into by GVK DKEPL with the Rupee Lender and the NHAI.
- (v) A first ranking pari passu charge on all rights, title, interests, benefits, demands, and claims under the contractor guarantees, liquidated damages, any guarantees, letter of credit, or performance bonds provided by any counter party under any contract of GVK DKEPL, Insurance Contracts, and Insurance proceeds.
- (vi) Corporate guarantee by GVKTPL.



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

3. GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL)	As at March 31, 2024	As at March 31, 2023
Term Loans from financial institutions	29,045	29,046

### Summary of borrowing arrangements & Terms of repayment

The Company (Borrower) & GVK Power and Infrastructure Limited (GVKPIL) have entered the Final Settlement Agreement with Power Finance Corporation Ltd (Lender) dated November 24, 2021.

Borrower & GVKPIL hereby jointly and severally agree and undertakes to inform the Lender immediately upon finalization/ culmination of Legal Proceedings concerning the Arbitral Award and to pay the amounts within 3 days of the receipt of the relevant payment from JKPDD/ Government of Jammu and Kashmir. Refer note 50.

4. Alaknanda Hydro Power Company Limited(AHPCL)	As at March 31, 2024	As at March 31, 2023
Term Loans from banks	178,577	190,823
Term Loans from financial institutions	104,047	110,949
Others	6,435	6,872
Foreign Currency Loan from Bank	7,553	10,363
Less: Un-amortised transaction cost	(108)	(156)
	<b>296,504</b>	<b>318,851</b>

### Summary of borrowing arrangements

#### a) Security

- Mortgage of the Company's immovable properties, present and future except Forest Land
- Hypothecation of all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- All cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising and all intangibles including but not limited to goodwill, uncalled capital, present and future.
- Assignment or creation of security interest in:
  - All rights, titles, interest, benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
  - All rights, title, interest, benefits, claims and demands whatsoever of the Company in the clearances;
  - All rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the project document and
  - All insurance contracts / insurance proceeds.
  - On the Escrow Account and other reserves and any other bank accounts of the Company wherever maintained.
  - Pledge of 60% of equity shares issued or to be issued by the Company during the currency of the Term Loans.
- The aforesaid mortgages, hypothecation, assignment charges and pledge of shares, shall in all respects, rank pari passu interse along with the working capital lenders, rupee term loans, foreign currency USD loan of 40 million and second charge on DSR.
- The Lenders, at their option, have a right to convert the whole or part of the Loan into equity, at par, in case of default in payment of two consecutive instalments and / or interest without prior intimation.
- Corporate Guarantee of the Promoter i.e. GVK Energy Limited.

#### b) Repayment schedule:

- Rupee Term Loans and funded interest term loans are repayable in 96 quarterly structured instalments from 01.01.2017.
- Foreign Currency loan is repayable in 60 quarterly structured instalments commencing from January 01, 2012.

#### c) Rate of Interest

- Rupee Term loans and Funded Interest Term Loans carry Interest rate respective bank MCLR plus spread range between 2.9% to 3.85% per annum.
- The foreign currency term loan carries floating rate of interest at 3 month SOFR + 248 bps (3 month LIBOR + 248 bps) per annum.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

5. GVK Coal (Tokisud) Company Private Limited (GVKCTCPL)	As at March 31, 2024	As at March 31, 2023
Term Loans from banks	10,778	10,778

### Summary of borrowing arrangements

The Term Loans from banks and others are secured by way of:

- First charge on all movable, immovable properties and receivables present and future.
- Assignment or creation of charge on all the rights, title, interest, benefits, claims and demands whatsoever in the project documents.
- Pledge of 51% equity shares held by the Holding Company.

### Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Current borrowings	147,109	147,474
Non-current borrowings	312,805	336,404
Cash and cash equivalents	(50,458)	(50,808)
Liquid investments	(19,395)	(30,529)
<b>Total</b>	<b>390,061</b>	<b>402,541</b>

Particulars	Current borrowing	Non-current borrowings	Cash	Liquid investments	Total
Net debt as on March 31, 2022	569,676	380,127	(55,885)	(17,921)	875,997
Add: Upon addition and deletion of subsidiaries	(385,125)	12,787	8,576	-	(363,762)
Cash flows	(37,077)	(56,510)	(3,499)	(11,595)	(108,681)
Fair value adjustment - non cash movement	-	-	-	(1,013)	(1,013)
<b>Net debt as on March 31, 2023</b>	<b>147,474</b>	<b>336,404</b>	<b>(50,808)</b>	<b>(30,529)</b>	<b>402,541</b>
Add: Adjustments	1,252	(1,252)	-	-	-
Cash flows	(1,617)	(22,395)	350	11,134	(12,528)
Fair value adjustment - non cash movement	-	48	-	-	48
<b>Net debt as on March 31, 2024</b>	<b>147,109</b>	<b>312,805</b>	<b>(50,458)</b>	<b>(19,395)</b>	<b>390,061</b>

### 20. Other non current financial liabilities

	As at March 31, 2024	As at March 31, 2023
Unearned guarantee commission income on financial guarantees given to related parties	12,324	12,324
<b>Total</b>	<b>12,324</b>	<b>12,324</b>

### 21. Long term provisions

	As at March 31, 2024	As at March 31, 2023
Provision for gratuity (refer note 36)	12	5
<b>Total</b>	<b>12</b>	<b>5</b>

### 22. Deferred tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities (net)	127	81
<b>Total</b>	<b>127</b>	<b>81</b>

### 23. Borrowings

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured - at amortised cost</b>		
Loans and advances from related parties repayable on demand	89	89
Loans from Others	11,168	12,785
<b>A</b>	<b>11,257</b>	<b>12,874</b>
Current maturities of Long term borrowings	<b>B</b>	<b>135,852</b>
<b>A+B</b>	<b>147,109</b>	<b>147,474</b>

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Entity wise details of the borrowings are as follows:

Name of the entities	As at March 31, 2024	As at March 31, 2023
GVK Transport Private Limited (GVK TPL) #	4,623	4,918
GVK Energy Limited(GVKEL) #	-	1,322
GVK Developmental Projects Private Limited (GVKDPPL) #	50	50
GVK Coal (Tokisud) Company Private Limited (GVKTCPL) #	6,584	6,584
	<b>11,257</b>	<b>12,874</b>

# The said loans are unsecured and are repayable on demand.

	As at March 31, 2024	As at March 31, 2023
Loans and advances from related parties ( Unsecured and are repayable on demand)		
GVKDPPL	50	50
GVKTCPL	39	39
	<b>89</b>	<b>89</b>
Loans from Others ( Unsecured and are repayable on demand)		
GVK EL	-	1,322
GVK TPL	4,623	4,918
<b>GVKTCPL</b>	<b>6,545</b>	<b>6,545</b>
	<b>11,168</b>	<b>12,785</b>
	<b>11,257</b>	<b>12,874</b>

## 24. Trade Payables

	As at March 31, 2024	As at March 31, 2023
Trade Payables - Current		
Dues to micro enterprises and small enterprises	53	42
Dues to creditors other than micro enterprises and small enterprises	1,131	2,321
	<b>1,184</b>	<b>2,363</b>

	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>As at March 31, 2024</b>						
i) MSME	-	11	1	-	41	53
ii) Others	-	536	127	35	243	941
iii) Disputed dues - MSME	-	-	-	-	-	-
ii) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	-	547	128	35	284	994
Un billed Dues	-	-	-	-	-	190
<b>Total</b>	-	547	128	35	284	1,184

	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>						
i) MSME	-	-	-	-	42	42
ii) Others	4	1,160	261	54	569	2,048
<b>Total</b>	4	1,160	261	54	611	2,090
Un billed Dues	-	-	-	-	-	273
<b>Total</b>	4	1,160	261	54	611	2,363

**Notes to the consolidated financial statements**

(All amounts in INR lakhs, except share data and where otherwise stated)

**25. Other current financial liabilities**

	As at March 31, 2024	As at March 31, 2023
Interest accrued and due on borrowings	86,876	73,884
Interest accrued but not due on borrowings	1,069	1,146
Capital Creditors	197	257
Premium obligation/ Negative grant to NHAI	6,777	6,763
Resurfacing obligation	10,054	10,054
Retention money	370	428
Due to employees	315	327
Others	130,439	120,472
	<b>236,097</b>	<b>213,331</b>

**26. Other current liabilities**

	As at March 31, 2024	As at March 31, 2023
Toll fee received in advance	-	54
Statutory remittances	4,091	3,932
Water tax payable (refer note 47 (e))	7,769	2,285
Other liabilities	2,100	2,134
	<b>13,960</b>	<b>8,405</b>

**27. Short term provisions**

	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment	102	106
Provision for gratuity (refer note 36)	1	1
Others	825	1,233
	<b>928</b>	<b>1,340</b>

**28. Revenue from operations**

	Year ended March 31, 2024	Year ended March 31, 2023
Income from toll operations	1,192	44,704
Revenue from sale of power	106,819	167,332
Manpower and consultancy services	3	-
	<b>108,014</b>	<b>212,036</b>

- a). Uttarpradesh Electricity Regulatory Commission (UPERC) Passed Final Multi Year Tariff (MYT) for year 2019-24 by order dated 20 April, 2023 on the basis of approved project cost of INR 406,197 Lakhs. Therefore recognised the differential revenue for the tariff years 2019-20 to 2022-23 of INR 31,915 Lakhs based on the said order by raising invoices on Uttarpradesh Power Corporation Limited (UPPCL).
- b). AHPCL had filed petition before Appellate Tribunal for Electricity (ATPEL) challenging the UPERC order dated 24 August 2020 regarding the capital cost disallowed by UPERC and extension of Scheduled Commercial Operation Date (SCOD). The application has been admitted by APTEL vide order dated 06 October, 2023 in DFR 450 of 2023.
- c). UPPCL filed an appeal with Appellate Tribunal for Electricity (APTEL) challenging UPERC's determination of Normative Annual Plant Availability Factor (NAPAF) considered for Multi Year Tariff (MYT) for the years 2015-19 order dated 20 April, 2023 and also filed an interim appeal for stay of the said MYT tariff order. AHPCL has submitted its responses to APTEL against the said appeal. UPPCL contended that NAPAF shall be computed based on the daily 3 hours peaking capacity of the Project against the UPERC's computation of NAPAF based on UPERC regulations i.e; design energy. Based on managements legal assessment no provision is considered in this regard. APTEL has dismissed the Interim Application filed by UPPCL for stay of the said MYT tariff order.
- d). The company has submitted its claim towards Minimum Alternate Tax (MAT) reimbursement of INR 436 Lakhs for the Financial Year 2021-22 and INR 4,402 Lakhs for Financial Year 2022-23. The revenue in this regard will be recognised in the period in which the same are approved by UPPCL.



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### 29. Other income (net)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on		
Bank deposits	5,059	2,970
Others	142	828
Reversal of Expenses incurred in Previous FY	34	1
Liabilities no longer required, written back	146	285
Income from investments	1,857	1,013
Profit on sale of assets	16	363
Guarantee commission	-	-
Foreign Currency Fluctuation - Realised	-	-
Miscellaneous income ( net)	245	410
	<b>7,499</b>	<b>5,870</b>

### 30. Employee Benefits Expense

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages, including bonus	1,669	2,298
Contribution to provident and other funds	57	106
Retirement and other employee benefit expense	164	41
Staff welfare expenses	46	68
	<b>1,936</b>	<b>2,513</b>

### 31. Finance costs

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense	53,178	106,471
Guarantee commission	-	-
Other finance charges	195	900
	<b>53,373</b>	<b>107,371</b>

### 32. Depreciation and amortisation expense

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of tangible assets	22,454	33,862
Amortization of intangible assets	244	5,932
Amortization right of use Asset	4	180
	<b>22,702</b>	<b>39,974</b>

### 33. Other expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spares	543	1,276
Operating and maintenance expenses	1,663	1,488
NHAI share of toll fee	32	4,422
Rent	39	69
Rates and taxes	51	110
Insurance	1,587	1,887
Resurfacing obligation*	-	3,351
Repairs and maintenance	1,628	2,789
Power, water and fuel	732	1,134
Travel and conveyance	523	545
Communication	29	61
Printing and stationery	3	3
Legal and professional charges	3,091	4,016

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
Auditor's remuneration (refer note below)	75	79
Directors' sitting fee	11	11
Loss on disposal / write off of assets/ Investments written off	21	-
Provision for doubtful debts	-	-
Advances /Receivables & Bad debts written off	12	42
Contract services	193	3,022
Security Charges	366	328
Donation	1,765	2,330
Miscellaneous expenses	312	912
Foreign Exchange Fluctuations (Net)	45	83
Liquidated Damages	-	145
Expenditure towards Corporate Social Responsibility	694	275
	<b>13,414</b>	<b>28,378</b>

\* Provision for the year ended 31 March 2023 represents the provision for 4th Periodic wearing course overlay.

Provision for fourth Periodic wearing Course overlay:

As per clause no. 4.5.1 of the Maintenance section of the Schedule L Operation and Maintenance Requirements to the Concession Agreement entered into by Company with National Highways Authority of India, Company has to renew bituminous concrete coat of the Road ("Periodic wearing Course overlay") every 5 years or where the roughness value reaches 3500mm/km whichever is earlier. The company estimated an amount of Rs 10,053 Lakhs cost of overlay of Bituminous Concrete to be made, which is in addition to the periodic overlay cost in the year 2020-21, that may be required to incurred after completion of the concession period in 2023. As per Indian Accounting Standard - 37 "Provisions, Contingent Liabilities and Contingent Assets", as required by Operation and Maintenance Requirements, equally charged to the P&L Account over the remaining concession period.

### ii) Auditors' remuneration (net of GST) comprises of:

	Year ended March 31, 2024	Year ended March 31, 2023
<b>As Auditor:</b>		
Audit Fee	25	25
Limited review	48	48
Certification fee	2	6
<b>Total</b>	<b>75</b>	<b>79</b>

### iii) Details of Corporate Social Responsibility expenditure

	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount required to be spent during the year	694	275
Amount spent during the year		
- on purposes other than above		
<b>Paid*</b>	694	275
<b>Total</b>	<b>694</b>	<b>275</b>

\* The Group is complying with its Corporate Social Responsibility by making payments to GVK Foundation & EMRI Green Health Services a Sec 8 company.

## 34. Taxes

### (a) Income tax expense:

The major components of income tax expenses are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	7,018	14,201
Income tax/MAT Credit of earlier years	964	63
Deferred tax	(5,086)	(7,080)
<b>Total income tax expense recognised in statement of Profit &amp; Loss</b>	<b>2,896</b>	<b>7,184</b>

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### (b) Reconciliation of effective tax rate:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit/ (Loss) before tax (A)	24,017	314,292
Existing tax rates in India (B)	-30.92%	23.03%
Expected tax expenses (C = A*B)	(7,426)	72,389
Deferred tax asset not recognised on losses	9,150	7,503
Effect of non-deductible expenses	970	6,983
Effect of non-taxable incomes	(775)	(79,668)
Utilisation of brought forward losses	13	(86)
Income tax/MAT Credit of earlier years	964	63
<b>Net tax expense recognised in statement of Profit &amp; Loss</b>	<b>2,896</b>	<b>7,184</b>

## 35. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares, if any.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit/ (Loss) after tax considered for calculation of basic and diluted earnings per share		
Profit/ (Loss) for the period from Continuing operations	2,040	243,894
Weighted average number of equity shares considered for calculation of basic and diluted EPS	1,579,210,400	1,579,210,400
<b>Earnings per equity share (Equity shares, par value of Re. 1 each)</b>		
- Basic and Diluted earnings per share in Rs	0.13	15.44

## 36. Employee benefits

### (a) Defined Contribution Plans

- Provident Fund/ Employees' Pension Fund
- Employees' State Insurance

The Group has recognised following amounts as Expense in the Statement of Profit and Loss :

	March 31, 2024	March 31, 2023
<b>Included in Contribution to Provident and Other Funds</b>		
Employer's Contribution to Provident Fund	57	106

### (b) Defined Benefit Plans

#### a. Gratuity :

The company has a unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972, as amended.

#### b. Compensated Absences:

Compensated benefits are payable to all the eligible employees of the Group on any type of separation from the Company on the leave balance available as per the Company Rules subject to a maximum of 30 days. Benefits would be paid at the time of separation based on last drawn gross salary.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Changes in the present value of the defined benefit obligation are, as follows:

Particulars	Gratuity	
	March 31, 2024	March 31, 2023
<b>I Change in present value of defined benefit obligation during the year</b>		
1. Present Value of defined benefit obligation at the beginning of the year	126	268
Add: Upon addition and deletion of subsidiaries		(87)
2. Interest cost	6	6
3. Current service cost	9	21
4. Past service cost	-	-
5. Liability Transferred out / Divestment	-	-
4. Benefits paid directly by employer	-	-
5. Benefits paid	(77)	2
6. Actuarial changes arising from changes in demographic assumptions	-	-
7. Actuarial changes arising from changes in financial assumptions	-	-
8. Actuarial changes arising from changes in experience adjustments	(6)	(84)
<b>Present Value of defined benefit obligation at the end of the year</b>	<b>58</b>	<b>126</b>
<b>II.Changes in fair value of plan assets</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Opening fair value of plan assets	187	193
Add: Upon addition and deletion of subsidiaries	-	(64)
Contribution paid	1	50
Expected return	2	2
Return on plan assets, excluding amounts included in interest expense/(income)	10	10
Benefits paid	(77)	(5)
Actuarial gains / (losses)	-	-
<b>Closing fair value of plan assets</b>	<b>123</b>	<b>187</b>
<b>III Net (asset) / liability recognised in the balance sheet</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
1. Present Value of defined benefit obligation at the end of the year	58	126
2. Fair value of Plan Assets	123	187
3. Unrecognised excess of plan assets over liability	-78	-67
<b>Net (liability)/ asset- recognised in the balance sheet</b>	<b>13</b>	<b>6</b>
<b>Recognised under:</b>		
Current (refer note 27)	1	1
Non-Current (refer note 21)	12	5
<b>IV Expenses recognised in the statement of profit and loss for the year</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
1. Current service cost	9	21
2. Interest cost on benefit obligation (Net)	6	6
3. Return on plan assets	(10)	(10)
<b>Total expenses included in employee benefits expense</b>	<b>5</b>	<b>17</b>
<b>V Recognised in other comprehensive income for the year</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
1. Actuarial changes arising from changes in financial assumptions	(12)	(83)
2. Actuarial changes arising from changes in experience adjustments	-	(2)
<b>Recognised in other comprehensive income</b>	<b>(12)</b>	<b>(85)</b>
<b>VI Maturity profile of defined benefit obligation</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
1. Within the next 12 months (next annual reporting period)	6	54
2. Between 2 and 5 years	28	60
3. Between 6 and 10 years	37	73
4. Beyond 10 years	-	-
The weighted average duration to the payment of these cash flows is 5.25 years (March 31, 2023: 5.25 years).		
<b>VII Quantitative sensitivity analysis for significant assumption is as below:</b>		
<b>Gratuity</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>(a) Effect of 0.5% to 1% change in assumed discount rate</b>		
- increase	(3)	(3)
- decrease	3	4



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

<b>(b) Effect of 0.5% to 1% change in assumed salary escalation rate</b>		
- increase	2	2
- decrease	(2)	(2)
<b>VIII Actuarial assumptions</b>		
1. Discount rate	7%	7.10%
2. Salary escalation	0% to 6 %	0% to 6 %
3. Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

### Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2024. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

## 37. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future period affected.

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

### i) Provisions and Contingency

The contingencies and commitments are discussed in more details in refer note 39 and 40. It is not practical to state the timing of the judgement and final outcome. The management has assessed the probable unfavourable outcomes and creates provisions where necessary and where these are assessed as not probable, these are disclosed as contingent liability.

### ii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the probable time and amount of future taxable profits together with future tax planning strategies.

Indian companies are subject to income tax in India on the basis of their standalone financial statements. Indian companies can claim tax exemptions/deductions under specific sections of the Income-tax Act, 1961 subject to fulfilment of prescribed conditions as may be applicable. As per the Income-tax Act 1961, companies are liable to pay income tax based on the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax. Section 115BAA has been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019 which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deductions or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate. Indian Companies can carry forward business losses for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period. The Group has opted for the lower tax rate depending on the benefit available to the subsidiaries/ associates and joint ventures on a standalone basis. And in certain cases considering the substantial accumulated MAT credit and carried forward loss as stated above, the management has decided that it is beneficial not to opt for the option of availing revised income tax rate as per provisions of Section 115BAA under Income Tax Act, 1961.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### iii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the yield rates of as per fixed income money market and derivatives association of India consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 36.

### iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Refer note 46, 47 and 49 regarding assessment on carrying values of certain assets.

### v) Impairment of financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### vi) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities disclosed in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments. The Group has considered Weighted Average Cost of Capital (WACC) rate of respective periods in which transaction had occurred for measuring deposit, being financial liabilities, at amortised cost.

### vii) Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

### viii) Determination of control and accounting thereof

As detailed in the accounting policy, principles under Ind AS are different from the previous GAAP, especially with respect to assessment of control of subsidiaries. Further, investments in GVK Coal Developers (Singapore) Pte. Ltd has been accounted as associate since the company participates in all significant financial and operating decisions. The Company has therefore determined that it has significant influence over this entity, even though it only holds 10% of the voting rights.

ix) Also refer note 52 on significant judgement on going concern ability of the Group.

## 38. Segment Reporting

For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- Power segment, which is engaged in the construction and operation of power plants.
- Roads segment, which is engaged in the construction and operation of highway projects.
- Other segments, which is engaged in exploration of oil and gas, SEZ and other investments.

The Board of directors of the group monitors the operating results of segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### Year ended March 31, 2024

Particulars	Power	Roads	Airports	Others	Unallo- cated	Total segments	Eliminations	Consolidated
<b>Revenue</b>								
External customers	106,819	1,192	-	3	-	108,014	-	108,014
Inter Segment	2,478	-	-	757	-	3,235	(3,235)	-
<b>Net sales / income</b>	<b>109,297</b>	<b>1,192</b>	<b>-</b>	<b>760</b>	<b>-</b>	<b>111,249</b>	<b>(3,235)</b>	<b>108,014</b>
<b>Income/(expenses)</b>								
Depreciation and amortization	22,497	194	-	11	-	22,702	-	22,702
<b>Total Profit/(Loss) before tax</b>	<b>38,922</b>	<b>(15,088)</b>	<b>-</b>	<b>(40,894)</b>	<b>-</b>	<b>(17,060)</b>	<b>41,078</b>	<b>24,017</b>
<b>Total Segment Assets</b>	<b>495,027</b>	<b>112,101</b>	<b>-</b>	<b>147,682</b>	<b>26,112</b>	<b>780,922</b>	<b>-</b>	<b>780,922</b>
<b>Total Segment Liabilities</b>	<b>387,895</b>	<b>219,085</b>	<b>-</b>	<b>117,450</b>	<b>215</b>	<b>724,645</b>	<b>-</b>	<b>724,645</b>

### Year ended March 31, 2023

Particulars	Power	Roads	Airports	Others	Unallo- cated	Total segments	Eliminations	Consolidated
<b>Revenue</b>								
External customers	167,332	44,704	-	-	-	212,036	-	212,036
Inter Segment	2,662	-	-	1,000	-	3,662	(3,662)	-
<b>Net sales / income</b>	<b>169,994</b>	<b>44,704</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>215,698</b>	<b>(3,662)</b>	<b>212,036</b>
<b>Income/(expenses)</b>								
Depreciation and amortization	33,949	6,015	-	11	-	39,974	-	39,974
<b>Total Profit/(Loss) before tax</b>	<b>69,578</b>	<b>21,721</b>	<b>-</b>	<b>(1,391)</b>	<b>224,384</b>	<b>314,292</b>	<b>-</b>	<b>314,292</b>
<b>Total Segment Assets</b>	<b>477,608</b>	<b>116,938</b>	<b>-</b>	<b>151,065</b>	<b>23,326</b>	<b>768,937</b>	<b>-</b>	<b>768,937</b>
<b>Total Segment Liabilities</b>	<b>428,114</b>	<b>183,797</b>	<b>-</b>	<b>109,736</b>	<b>1,989</b>	<b>723,636</b>	<b>-</b>	<b>723,636</b>

Particulars	March 31, 2024			March 31, 2023		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	-	108,014	108,014	-	212,036	212,036
Non-current operating assets	-	364,287	364,287	-	386,671	386,671

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and others.

## 39. Contingent Liabilities

### Leases

#### a. Operating lease commitments - Company as lessee

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at the option of either of the parties. The Company has not entered into any non-cancellable leases. There is 10% escalation clause in the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements.

The Company has not recognised any contingent rent as expense in the Statement of Profit and Loss. The aggregate amount of operating lease payments recognised in the Statement of Profit and Loss is Rs. 7 lakhs (March 31, 2023: Rs. 4 lakhs).

### Contingent liabilities

#### A) Parent Company

##### 1. Direct and Indirect Taxes

	March 31, 2024	March 31, 2023
Claims not acknowledged as debts by the company		
Service tax	1,396	1,396

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### Security against loan taken by others

- (i) The Company has provided security by way of corporate guarantees amounting to Rs. 462,642 lakhs to the lenders of GVK Coal Developers (Singapore) Pte Ltd, an associate (March 31, 2023: Rs. 456,222 lakhs) for various fund and nonfund based facility availed by them. Also refer note (ii) below
- (ii). Refer note 46 to 53.

### B) Subsidiary companies

#### i. GVKJEPL

	March 31, 2024	March 31, 2023
a. Disputed income tax demands*	19,156	6,893
b. Claim made by NHAI for share in other income along with interest, which is disputed by the company and not acknowledged as debt, the company has filed a petition with the Indian Council of Arbitration at Delhi and the case is under process.	11,174	11,174
c. Claims made by NHAI which is disputed by the company and not acknowledged		
(i) Share of Excess Revenue post September 30, 2022 (Net of Provision)	8,775	-
(ii) Towards damages/cost suffered owing to deficiencies in the project Highway	5,114	-
(iii) Towards damages for delay in Completion of 3rd Periodic renewal work	1,597	-

\*(Amount paid /adjusted under protest Rs.17.70 lakhs)

#### ii. GVKBVEPL

	March 31, 2024	March 31, 2023
EPC contractor has submitted claim against work done on the road project which is not yet certified by the independent engineer as well as lender independent engineers	786	786

Refer note 49(a) for details of claims in respect of toll road project being executed by GVK BVEPL

#### iii. GVK DKEPL

On June 25, 2019, GVK DKEPL has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway. Further, GVK DKEPL has claimed a termination payment of Rs. 169,650 lakhs (apart from various other claims towards future loss, Loss of Toll Revenue, Loss suffered on account of additional overheads etc.) from NHAI as per the terms of the Concession Agreement. In response to the above notice, GVK DKEPL has received letter from NHAI dated July 03, 2019 denying the claim of GVK DKEPL stating that the termination notice issued under clause 37.2.2 is invalid as defaults alleged by GVK DKEPL are false and NHAI has not committed any material default in complying with the provisions of the Concession Agreement.

On September 12, 2019, NHAI has issued a termination notice as per clause 37.2.1 of the Concession Agreement for non-fulfillment of the obligation as stated in the Concession Agreement by GVK DKEPL. NHAI by virtue of this notice, is deemed to have taken possession and control of the project highway along with all the equipment on or at site. After this termination notice toll plaza is deemed to have been transferred to NHAI and from September 16, 2019 onwards NHAI started collecting the toll on the project highway.

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defense and next cross examining the witness of NHAI is schedule on July 29, 2024. Refer note 49(b).

#### iv. GVKTPL

	March 31, 2024	March 31, 2023
Disputed income tax demands*	657	657

\*Management based on its internal assessment and/or legal advice is confident that the matter will be decided in its favour.

#### v. AHPCL

	March 31, 2024	March 31, 2023
a) Disputed income tax demands	3	3
Claims not acknowledged as debts *	24,333	14,519

\* Claims not acknowledged as debts includes



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

- i). Demand notices for Rs 20,703 Lakhs (March 31, 2023: Rs. 11,563 lakhs) served by the Uttarakhand Jal Vidyut Nigam Limited (UJVNL) of Government of Uttarakhand, demanding tax/ cess towards the "water used for generating electricity" for various periods (years).

The Government of Uttar Pradesh, Government of Uttarakhand and AHPCL have entered into a Restated Implementation Agreement (RIA). As per the terms of RIA, AHPCL is obligated to supply 12% free power to the State of Uttarakhand in lieu of Royalty for using the river water to generate electricity. As such, the tax/ cess introduced under the Act tantamount to double taxation, which is also not permissible under law.

AHPCL has challenged the imposition of water cess before the High court of Uttarakhand. High court of Uttarakhand by admitting the writ petition has stayed the operation of the said demand notices. The next hearing is from 4th to 7th June, 2024.

High Court of Uttarakhand while continuing the stay till July, 2022, has directed the company to pay water tax effective from August, 22. Accordingly, the company has paid Rs.1,371 lakhs towards water tax as per the demands received from UWRMRC (Uttarakhand Water Resources Management & Regulatory Commission) for the period August, 2022 to October, 2022 and there are further demands received from UWRMRC amounting to Rs. 7,769 lakhs for the period November, 2022 to March, 2024 that are yet to be paid as on 31.03.2024.

As per the provisions of the PPA even if AHPCL has to incur any statutory liabilities in terms of paying taxes etc, which are introduced subsequent to entering into the PPA, the said expenses shall be a pass through in the tariff. As such, even if the High court does not consider any of the above referred arguments of AHPCL and decides that AHPCL is liable to pay water tax/ cess, such amount payable by AHPCL, there cannot be any additional financial liability to AHPCL.

AHPCL has also filed an application before UPERC for amendment to PPA for reimbursement of water cess under the provisions of change in law vide petition no 2017 of 2023 of UPERC.

Further, in response to the petition no. 2017 of 2023 filed by AHPCL for reimbursement of water cess under the provisions of change in law under PPA, UPERC vide its order dt. 01 April, 2024 has directed UPPCL to make interim payment to the company, against proof of payment of water tax paid by the company from August, 2022 onwards and continue to make interim payment against water tax invoices raised by Government of Uttarakhand and paid by AHPCL to avoid shutting down of the plant and deprive state consumers from such green power.

This will avoid late payment surcharge to UPPCL on such payments made by AHPCL in case the Hon'ble High Court of Uttarakhand decides levy of water tax to be legally valid. In case Hon'ble High Court of Uttarakhand decides otherwise, the company shall be required to immediately claim refund from Uttarakhand Government along with carrying cost and the same shall be released immediately to UPPCL along with such carrying cost.

- ii). Person named Pawan Kumar filed a case against the company demanding death Compensation of Rs.10 lakhs (March 31, 2023: Rs. 10 lakhs) U/s 33 of ID Act on 22.11.2016. The Company has challenged the case before Labour Court, Dehradun on 01 August, 2017. The matter is yet to be listed.
- iii). Compensation to flood affected people on account of the order to National Green Tribunal (NGT) Rs 926.43 lakhs (March 31, 2023: Rs.926.43 lakhs). As per the directions of Supreme Court on 19.01.2023, the company has deposited an amount of Rs.300.00 lacs on 14.03.2023 for staying the grant of High Court orders.
- b). Case filed by AHPCL against demand notice received from Govt of Uttarakhand (GoUK) on 04.07.2011 to pay mining royalty of rupees 7,646 Lakhs towards excavated material /muck during the project construction period and executive activities. The claim has been further revised to Rs 13,100 Lakhs by GoUK. The case was upheld by Hon'ble High court of Uttarakhand quashing the royalty demand notice on 06.08.2015. The supreme court has reversed the said order and the GOVT of Uttarakhand has filed a review petition to open the petition filed against Hon'ble supreme court order. The matter is pending before Hon'ble Supreme Court against the petition filed by AHPCL aggrieved by the reopening of the case in Hon'ble High Court, Uttarakhand.
- c). BHEL filed a case with NCLT against company demanding their outstanding of Rs.5,537 lakhs plus interest for the delayed payments of Rs.2,994 lakhs totaling to Rs. 8,531 lakhs. The company has paid entire outstanding dues and requested BHEL to waive the interest demand and withdraw the case. The case was last heard on 18 April, 2024 and reserved the matter for judgement.

### vi. GVKPGSL

Please refer note 47(b).

### C. GVK Gautami Power Limited (Jointly Controlled Entity, to the extent of shareholding therein)

Please refer note 47(c).

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### Other litigations

GVKEL has pending litigations with service tax authorities amounting to Rs.350 Lakhs (March 31, 2023: Rs.350 lakhs) and company has got a show cause notice pending in call book of service tax authorities of Rs 384 Lakhs (March 31, 2023: 384 lakhs).

## 40. Capital and Other Commitments

### Parent Company

#### Other Commitments

The company has given undertaking to infuse equity aggregating to Rs. 481,526 lakhs (March 31, 2023: Rs. 474,843 lakhs) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations [Also refer note 39 (A)]. Further, the Company has pledged 155,587,500 (March 31, 2023: 155,587,500), 130,287,382 (March 31, 2023: 130,287,382) and 48,000,000 (March 31, 2023: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an associate entity in which Company has 10% stake.

### AHPCL

Estimated amount of contract remaining to be executed on capital account Rs 2,379 lakhs

## 41. Fair Values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long term fixed rate and variable rate receivables/ advances given are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project, based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

The management has assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### Financial instruments by category

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

	Level	Carrying Values		Fair Values	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Financial assets</b>					
<b>At fair value through profit and loss (As per quoted market price)</b>					
Current investments	1	19,395	30,529	19,395	30,529
		<b>19,395</b>	<b>30,529</b>	<b>19,395</b>	<b>30,529</b>
<b>At amortised cost</b>					
Non-current investments	3	7,136	7,136	7,136	7,136
Current investments	3	112,464	112,464	112,464	112,464
Loans	3	2,052	751	2,052	751
Trade receivables	3	4,908	4,803	4,908	4,803
Cash and cash equivalents	1	50,458	50,808	50,458	50,808
Bank balances other than cash and cash equivalents	1	29,676	155	29,676	155
Other financial assets	3	156,254	150,575	156,254	150,575
		<b>362,948</b>	<b>326,692</b>	<b>362,948</b>	<b>326,692</b>
<b>Financial liabilities</b>					
<b>At amortised cost</b>					
Floating rate Borrowings (including current maturities)	3	459,914	483,878	459,914	483,878
Other financial liabilities	3	236,097	213,331	236,097	213,331
Trade payables	3	1,184	2,363	1,184	2,363
		<b>697,195</b>	<b>699,572</b>	<b>697,195</b>	<b>699,572</b>

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measuring using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value and Cash & Bank balances.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of trade receivables, loans and trade payables are considered to be the same as their fair values, due to their short term nature.

The fair values of non-current borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

### 42. A) Group Information

The consolidated financial statements of the Group includes subsidiaries, associates and jointly controlled entities (JCE) listed in the table below:

Name	Nature of interest	Country of incorporation	% effective equity interest	
			March 31, 2024	March 31, 2023
GVK Developmental Projects Private Limited (GVKDPPL)	Subsidiary	India	100%	100%
GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL)	Subsidiary	India	100%	100%
GVK Perambalur SEZ Private Limited (GVKPSPL)	Subsidiary	India	100%	100%
GVK Airport Services Private Limited (GVKASPL)	Subsidiary	India	100%	100%
GVK Transportation Private Limited (GVKTPL)	Subsidiary	India	100%	100%
GVK Jaipur Expressway Limited (GJEPL)	Subsidiary	India	100%	100%
Sutara Roads & Infra Limited (SRIL)	Subsidiary	India	100%	100%
GVK Deoli Kota Expressway Private Limited (GVKDEPL)	Subsidiary	India	100%	100%
GVK Bagodara Vasad Expressway Private Limited (GVKBVEPL)	Subsidiary	India	100%	100%
GVK Shivpuri Dewas Expressway Private Limited (GVKSDEPL)	Subsidiary	India	100%	100%
GVK Airport International Pte limited (GVKA IPL)	Subsidiary	Singapore	100%	100%
PT GVK Indonesia (PTGVKS)	Subsidiary	Indonesia	97%	97%
GVK Power (Khadur Sahib) Private Limited (GVKPKSPL)	Subsidiary	India	100%	100.0%
GVK Energy Limited (GVKEL)	Subsidiary	India	100%	83.5%
Alaknanda Hydro Power Company Limited (AHPCL)	Subsidiary	India	60%	50.1%
GVK Coal (Tokisud) Company Private Limited (GVKCTCPL)	Subsidiary	India	100%	83.5%
GVK Coal Developers (Singapore) Pte. Ltd	Associate	Singapore	10%	10%
GVK Gautami Power Limited (GVKGPL) \$	JCE of Subsidiary	India	-	53.1%
GVK Power (Goindwal Sahib) Limited (GVKPGSL) #	Subsidiary	India	-	-
Seregraha Mines Limited(SML) ##	Associate of Subsidiary	India	-	-

\$ Jointly controlled entity till 20-Oct-2023 and admitted in the CIRP

# Subsidiary of JCE till February 03, 2022 & Subsidiary from February 04, 2022 to October 10, 2022 and admitted in the CIRP.

## Associate of GVKPGSL

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### 42.B). Additional information required by Schedule III

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
<b>Parent</b>								
<b>GVK Power and Infrastructure Limited</b>								
Balance as at March 31, 2024	152%	85,503	-88%	(1,794)	0%	-	-84%	(1,794)
Balance as at March 31, 2023	193%	87,297	0%	646	0%	-	0%	646
<b>GVK Airport Services Private Limited</b>								
Balance as at March 31, 2024	0%	91	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2023	0%	91	0%	(0)	0%	-	0%	(0)
<b>GVK Transportation Private Limited</b>								
Balance as at March 31, 2024	-7%	(4,210)	-8%	(156)	0%	-	-7%	(156)
Balance as at March 31, 2023	-9%	(4,053)	0%	(105)	0%	-	0%	(105)
<b>GVK Jaipur Expressway Limited</b>								
Balance as at March 31, 2024	187%	105,270	-90%	(1,844)	15%	13	-86%	(1,831)
Balance as at March 31, 2023	236%	107,101	6%	13,858	-81%	45	6%	13,903
<b>Sutara Roads and Infra Limited</b>								
Balance as at March 31, 2024	57%	32,180	-1%	(21)	0%	(0)	-1%	(21)
Balance as at March 31, 2023	71%	32,201	0%	(23)	0%	(0)	0%	(23)
<b>GVK Deoli Kota Expressway Private Limited</b>								
Balance as at March 31, 2024	-100%	(56,147)	-341%	(6,963)	0%	-	-327%	(6,963)
Balance as at March 31, 2023	-109%	(49,241)	-3%	(6,902)	0%	-	-3%	(6,902)
<b>GVK Shivpuri Dewas Expressway Private Limited</b>								
Balance as at March 31, 2024	0%	(0)	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2023	0%	(0)	0%	(0)	0%	-	0%	(0)
<b>GVK Bagodara Vasad Expressway Private Limited</b>								
Balance as at March 31, 2024	-51%	(28,488)	-303%	(6,181)	0%	-	-290%	(6,181)
Balance as at March 31, 2023	-49%	(22,404)	-3%	(6,175)	0%	-	-3%	(6,175)
<b>GVK Developmental Projects Private Limited</b>								
Balance as at March 31, 2024	66%	36,927	-1932%	(39,415)	0%	-	-1852%	(39,415)
Balance as at March 31, 2023	170%	76,975	0%	71	0%	-	0%	71
<b>GVK Ratle Hydro Electric Project Private Limited</b>								
Balance as at March 31, 2024	0%	4	0%	(5)	0%	-	0%	(5)
Balance as at March 31, 2023	0%	9	0%	1	0%	-	0%	1
<b>GVK Perambalur SEZ Private Limited</b>								
Balance as at March 31, 2024	4%	2,103	5%	101	0%	-	0%	101
Balance as at March 31, 2023	4%	2,002	0%	(278)	0%	-	0%	(278)
<b>GVK Power (Khadur Sahib) Private Limited</b>								
Balance as at March 31, 2024	0%	1	0%	-	0%	-	0%	-
Balance as at March 31, 2023	0%	1	0%	-	0%	-	0%	-
<b>GVK Employee Welfare Trust</b>								
Balance as at March 31, 2024	0%	1	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2023	0%	1	0%	(0)	0%	-	0%	(0)
<b>GVK Energy Limited</b>								
Balance as at March 31, 2024	108%	60,965	52%	1,051	0%	-	49%	1,051
Balance as at March 31, 2023	132%	59,914	-7%	(18,255)	0%	-	-7%	(18,255)
<b>Alaknanda Hydro Power Company Limited</b>								
Balance as at March 31, 2024	269%	151,272	1734%	35,375	-1%	(1)	1662%	35,374
Balance as at March 31, 2023	256%	115,898	16%	38,192	-73%	40	16%	38,232
<b>GVK Power (Goindwal Sahib) Limited</b>								
Balance as at March 31, 2023	-1056%	(478,577)	-24%	(57,395)	0%	-	-24%	(57,395)



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
<b>GVK Coal (Tokisud) Company Private Limited</b>								
Balance as at March 31, 2024	-18%	(10,294)	-2%	(50)	0%	-	-2%	(50)
Balance as at March 31, 2023	-23%	(10,244)	0%	(162)	0%	-	0%	(162)
<b>Subsidiaries incorporated outside India</b>								
<b>GVK Airport International Pte. Ltd.</b>								
Balance as at March 31, 2023	0%	0	0%	(391)	-54%	30	0%	(361)
<b>PT GVK Services, Indonesia</b>								
Balance as at March 31, 2024	-3%	(1,755)	-3%	(53)	88%	78	1%	24
Balance as at March 31, 2023	-4%	(1,779)	0%	(161)	224%	(123)	0%	(284)
<b>Non Controlling Interests in all subsidiaries</b>								
Balance as at March 31, 2024	310%	174,526	935%	19,081	-2%	(2)	897%	19,079
Balance as at March 31, 2023	354%	160,433	26%	63,214	29%	(16)	26%	63,198
<b>Consolidation adjustments</b>								
Balance as at March 31, 2024	-874%	(491,672)	143%	2,915	1%	1	137%	2,916
Balance as at March 31, 2023	-67%	(30,325)	89%	217,760	55%	(30)	89%	217,730
<b>Total</b>								
<b>Balance as at March 31, 2024</b>	<b>100%</b>	<b>56,277</b>	<b>100%</b>	<b>2,040</b>	<b>100%</b>	<b>88</b>	<b>100%</b>	<b>2,128</b>
<b>Balance as at March 31, 2023</b>	<b>100%</b>	<b>45,301</b>	<b>100%</b>	<b>243,894</b>	<b>100%</b>	<b>(55)</b>	<b>100%</b>	<b>243,839</b>

\*Net assets means total assets minus total liabilities excluding minority and equity.

\*\*Includes net assets and losses of its subsidiaries and Joint venture

### 43. Investment in an associate

#### GVK Coal Developers (Singapore) Pte. Ltd. (GVK CDSL)

The Company, has 10% interest in GVK CDSL which is assessed as an associate to the Company. The Company exercises significant influence on GVK CDSL as per Ind AS 28.

Summarised financial information of the associate based on its unaudited financial statements is set out below:

	As at March 31, 2024	As at June 30, 2023
Current assets including cash and cash equivalents	10,943	11,175
Non-current assets	1,251,976	1,247,435
Current liabilities	(2,198,656)	(2,414,830)
Non-current liabilities	(386,474)	(378,197)
<b>Equity</b>	<b>(1,322,210)</b>	<b>(1,534,416)</b>
Proportion of the Group's ownership	10%	10%
Group's ownership in equity	-	-

	As at March 31, 2024	As at June 30, 2023
Revenue	-	-
Other Income	368,221	6,532
Employee benefits expense	(288)	(369)
Finance costs	(115,950)	(201,199)
Other expenses	(4,978)	(19,081)
<b>Profit before income tax</b>	<b>247,005</b>	<b>(214,117)</b>
Income tax expense	-	-
Profit for the year	247,005	(214,117)
Other comprehensive income for the year, net of income tax	(9,903)	(26,064)
<b>Total comprehensive income for the year</b>	<b>237,101</b>	<b>(240,181)</b>
Group's share of comprehensive income/(loss) for the year	-	-

\* Company has recognised loss on investment in equity shares to the extent of share holding in GVK CDSL. Cumulative unrecognised share of losses as at year end is Rs. 72,314 lakhs (March 31, 2023: Rs. 96,024 lakhs).

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### 44. Financial risk management objectives and policies

The Group is exposed to financial risk such as market risk, credit risk and liquidity risk. The general risk management program of the group focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Group. The group continuously reviews its risk exposures and takes measures to limit it to acceptable levels. Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The interest rate risk arise from long term borrowings of the Group with variable interest rates (Bank base rate plus spread). Although the spread is fixed, it is subject to change at fixed time interval or occurrence of specified event. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows

Particulars	Increase/(decrease) in profit before tax	
	March 31, 2024	March 31, 2023
<b>Change in interest rate</b>		
-increase by 50 basis points	(2,078)	(2,288)
-decrease by 50 basis points	2,078	2,288

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

#### Foreign Currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's investment in foreign entity, financial asset/liability in relation to foreign entity in respect of financial guarantee and trade/other payables. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group's exposure to foreign currency changes for all other currencies is not material. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Group has not entered into derivative instruments during the year.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Increase/(decrease) in profit before tax	
	March 31, 2024	March 31, 2023
<b>Change in USD</b>		
- 5% increase	48	58
- 5% decrease	(48)	(58)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### Price Risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of change in market prices of Investments. The below table demonstrates the sensitivity to a reasonably possible change in price on the carrying value of investments.

Particulars	Increase/(decrease) in profit before tax	
	March 31, 2024	March 31, 2023
<b>Change in price</b>		
- 5% increase	6,593	7,150
- 5% decrease	(6,593)	(7,150)

### Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Regarding credit exposure from customers, the Group has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances. The securities held by the Group are in the form of cash deposits and bank letter of guarantee.

"The carrying amount of trade receivables, advances to suppliers, cash and short term deposits, guarantee commission receivable, and interest receivable on deposits represents Group's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks. The credit quality of financial assets is quite satisfactory, taking into account the allowance for credit losses.

### Exposure to credit risk:

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Group does not hold collateral as security. The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2024 and March 31, 2023.

### Trade receivables, loans, advances, and guarantee commission receivable:

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group also holds deposits as security from customers to mitigate credit risk.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments in surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's management on an annual basis, and are updated throughout the year subject to approval of the Group's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss though counterparty's potential failure to make payments.

### Liquidity Risk

Liquidity risk is the risk that the Group will have difficulty in raising the financial resources required to fulfil its commitments. Liquidity risk is held at low levels through effective cash flow management and availability of adequate cash. Cash flow forecasting is performed internally by rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and debt and to comply with loan covenants.

The Group primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short term borrowings to fund its ongoing working capital requirements and growth needs.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Within 12 months	After 12 months	Total
<b>Year ended March 31, 2024</b>				
Borrowings	135,852	11,257	312,805	459,914
Other financial liabilities	86,876	149,221	-	236,097
Trade payables	-	1,184	-	1,184
	<b>222,728</b>	<b>161,662</b>	<b>312,805</b>	<b>697,195</b>
<b>Year ended March 31, 2023</b>				
Borrowings	134,600	12,874	336,404	483,878
Other financial liabilities	73,884	139,447	-	213,331
Trade payables	-	2,363	-	2,363
	<b>208,484</b>	<b>154,684</b>	<b>336,404</b>	<b>699,572</b>

### 45. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders and non controlling interest. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and cash equivalent.

Particulars	March 31, 2024	March 31, 2023
Borrowings including interest accrued on borrowings	547,859	558,908
Trade payables	1,184	2,363
Other liabilities	162,112	146,706
Less: Cash and cash equivalents (Note 14)	(50,458)	(50,808)
Less: Bank balances other than cash and cash equivalents	(29,676)	(155)
<b>Net debt</b>	<b>631,021</b>	<b>657,014</b>
Equity	15,792	15,792
Other Equity	(134,041)	(130,924)
Non controlling interest	174,526	160,433
<b>Total Equity</b>	<b>56,277</b>	<b>45,301</b>
<b>Gearing ratio (Net Debt/ Total Equity)</b>	<b>11</b>	<b>15</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the current and previous year. Breaches in meeting the financial covenants would permit certain banks to immediately call loans and borrowings.

**46.** The Group has an investment in GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) which is assessed as an associate to the parent Company. The parent Company exercises significant influence on GVK Coal as per Ind AS 28.

The Group has provided for impairment of Rs 79,048 Lakhs for full value of its investment and receivable in earlier years in the absence of any certainty of realization either by use or from the settlement that may be reached.

The GVKPIL Group has also given guarantees and commitments for loans amounting to USD 1132.45 Million ( Rs. 944,168 lakhs as at March 31, 2024) (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the finance documents or USD 692.61 Million) taken by GVK Coal part of which is collateralized by pledge of 155,587,500 (March 31, 2023: 155,587,500), 130,287,382 (March 31, 2023: 130,287,382) and 48,000,000 (March 31, 2023: 48,000,000) shares of GVK Energy Limited,

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11 million (Rs. 2,593 lakhs) as at March 31, 2024, with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc.. The entity's current liabilities exceeded current assets by USD 2,624 million (Rs. 2,187,713 lakhs) as of March 31, 2024 (March 31, 2023: USD 2,845 million (Rs. 2,339,320 lakhs)) and accumulated losses as of March, 2024 is USD 1,386 million (Rs. 11,55,562 Lakh) based on audited special purpose consolidated financial statements of GVK Coal.

The GVK Coal lenders had also filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020, and have sought to recover the amounts advanced to GVK Coal. During the current financial year 2023-24, the England court vide its order dated October 19, 2023, has crystalized the amount payable by the defendants (GVKPIL and other guarantors/ stakeholders in GVK Coal) at USD 2.19 billion including the amount towards interest.

As per legal opinion obtained by the parent company, the order dated 19th October 2023 passed by the England court is not speaking order. It has also been opined that the Order dated 19th October 2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

Management has made several attempts were made by the company to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement. The GVK Coal having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal dues.

Further, one of the lenders has filed an application under Section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the parent company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed its reply. As per the NCLT website, initially final hearing was mentioned as 24.04.2024 but the authority has partly heard the details and next hearing is scheduled on 31.05.2024. As per the GVKPIL management, petition filed by the ICICI Bank against GVKPIL is barred by Section 10A of the Code as the invocation of the Guarantee was admittedly done vide invocation of guarantee dated 02.11.2020 and as such the invocation of the guarantee on GVKPIL falls squarely within the period prescribed by Section 10A of the code. As per 10A, no application for initiation of corporate insolvency resolution process can be filed in respect of a default that has occurred on or after 25th March, 2020 till 25th March, 2021. However, as per ICICI Bank petition, the account (GVK Coal Developers) has become NPA with all the lenders around FY 2016-17. The ultimate outcome of the same and the resultant impact of the same on the financial statements is not ascertainable and cannot be commented upon.

The parent company is hopeful of achieving one time settlement with the lenders in view of its arrangement with Adani Airport Holdings Limited (AAHL) which is adequately incentivized to find solution with the lenders to get unencumbered ownership over the shares of GVK Airport Developers pledged with the lenders. The extent of the liability that may arise in respect of guarantees and commitments and the manner of such settlement is presently not ascertainable and accordingly no provision has been made in this regard in relation to any liability.

**47.** The parent company has wholly own subsidiary company viz. GVK Energy Limited ('GVKEL'), certain subsidiaries and jointly controlled entity (group companies) of GVKEL are facing uncertainties as detailed below:

- a). The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary company of GVKEL and mine operator was offered compensation by the Nominated Authority of Rs. 11,129 Lakhs as against carrying value of assets of Rs. 31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Including the above amount of Rs 4,984 lakhs, a total of Rs 23,761 lakhs, being the due on vesting date has been paid to lenders. The nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

including the compensation disallowed regarding R&R costs. The GVKCTPL has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 20, 2024.

Based on the internal assessment, management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mine. Additionally, the fund lying-in interest-bearing account with Registrar General of the Court will be sufficient to discharge all liabilities and accordingly no provision is required towards corporate guarantee given by GVKEL for loan taken by GVKCTPL and carrying value (Balance of claims) of Rs 6,015 Lakhs.

- b). GVK Power (Goindwal Sahib) Limited ("GVKPGSL") a subsidiary company of GVKEL, has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company.

Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKPGSL.

Since the Group has lost the control over the GVKPGSL, the assets and liabilities of GVKPGSL were deconsolidated as at October 10, 2022 as per Ind AS 110 and a gain of Rs.343,685 Lakh is recorded in consolidated financials for the year ended March 31, 2023 as per below entry:

Particulars	Rs Lakhs
Value of assets	- 345,970
Value of liabilities	698,027
Equity share capital	126,520
Amount already recognized in consolidated FS in previous period	-134,892
Net amount recognized as exceptional gain	-343,685

During the current financial year 2023-24, the Resolution plan submitted by resolution applicant has been approved by the Hon'ble NCLT Hyderabad vide its order dated December 22, 2023. As per the said order, the secured lenders have received Rs.1,078 crores against their claims of Rs.6,585 Crores. i.e. with a deficit of Rs.5,507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. The lenders through security trustee (IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1,494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing is fixed on July 10, 2024.

As per management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per GVKPIL management, the liability of the Corporate Guarantor also extinguishes.

Based on internal assessment of the management there is an uncertainty on the outcome of the liability that may arise in respect of guarantee given by GVKEL. therefore no provision has been made against the likely impact of the claim against such guarantee.

Further, in view of deconsolidation of GVKPGSL on October 10, 2022, the current year financials are not comparable with corresponding previous year.

- c). GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL, has been admitted into Corporate Insolvency Resolution Process (CIRP) during the current financial year 2023-24, i.e on October 20, 2023 based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GVKEL has already provided for an impairment in the full value of investment in GVKGPL of Rs 51,897 Lakh.

The GVKEL has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not be invoked by the Lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GVKEL. This Corporate Guarantee may be invoked the lenders of GVKGPL considering the default therein. In such an eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKGPL is negative. The extent of the liability that may arise in respect of guarantee given is presently not determinable at present and no provision has been made in this regard in relation to such liability.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

- d). Uttar Pradesh Electricity Commission (UPERC) vide its order dated April 20, 2023 has approved final tariff for Multi Year Tariff (MYT) for tariff period 2019-24 based on approved project cost of Rs 406,186 Lakhs. After evaluating the UPERC order and the based on opinion sought, Alaknanda Hydro Power Company Limited (AHPCL) has raised bills towards arrears against Uttar Pradesh Power Corporation Limited (UPPCL) for the tariff year 2019-20 to 2022-23 in previous quarter to the extent of Rs.31,916 Lakhs, UPPCL has paid entire dues in the month of July'23. UPPCL has filed an appeal in APTEL, challenging the determination of NAPA by UPERC for the MYT 2015-19 and 2019-24. AHPCL submitted its response to UPERC under the said appeal. AHPCL also filed an application before APTEL challenging UPERC order regarding the expenditure disallowed by them while approving the project cost.
- e). AHPCL has challenged the vires of the Uttarakhand Tax on Water Used for Generation of Electricity Act, 2012 ("Water Tax Act") before the Uttarakhand High Court. On July 12, 2022, the Uttarakhand High Court directed the company and all other Hydro Electric Projects (HEPs) to pay the Water Tax commencing from August 01, 2022. AHPCL has sought the Uttarakhand High Court to modify its order dated July 12, 2022, which was denied. Pursuantly, company has paid an amount of Rs.1,371 Lakhs to Uttarakhand Water Resources Management Regulatory Commission (UWRMRC), a nodal agency being appointed under the Water Tax Act, towards demand received against water tax for the period August, 2022 to October, 2022 and also made provision for Rs.7,769 Lakhs for the period November, 2022 to March, 2024. Impact on balance sheet the quarter ended March 2024 is Rs.1,371 Lakhs and for the year (April, 2023 – March, 2024) is Rs.5,484 Lakhs.

Further, UPPCL has also filed an application before the Uttarakhand High Court which also impugns the vires of the Water Tax Act. The same is pending for adjudication along with the AHPCL appeal and other batch of appeals.

AHPCL claim for reimbursement of the payments made to UWRMRC towards water tax of Rs.1,371 Lakhs has been denied by UPPCL vide their letter dated June 16, 2023, on the ground that AHPCL has not followed the change in law provision stipulations under the PPA. Subsequently, AHPCL has filed an application before the UPERC for declaring the imposition of Water Tax as a Change in Law UPERC vide its order dt. 01 April 2024 has directed UPPCL to make interim payment against proof of payment of water tax paid by AHPCL from August, 2022 onwards and continue to make interim payment. In case Hon'ble High Court of Uttarakhand decides levy of water tax is null & void, AHPCL shall be required to be claim refund from Uttarakhand Government along with carrying cost and the same shall be released immediately to UPPCL along with such carrying cost.

- 48.** During the earlier years, GVK Energy Ltd. (GVKEL) and Alaknanda Hydro Power Company Limited (AHPCL) have issued debentures vide respective Trust Deed and taken loans from ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecip Equities Limited (collectively referred to as "Edelweiss"). These Debentures and Loans are also secured by pledge of shares of GVK Power (Goindwal Sahib) Limited, GVK Coal Tokisud Company Private Limited and AHPCL held by GVKEL and shares of GVKEL held by GVKPIL as investment in respective companies. The loans were further secured by Corporate Guarantee given jointly by GVKEL and GVKPIL.

Since the repayment of loan and interest was defaulted, GVKEL and AHPCL have entered into settlement agreement with Edelweiss on October 31, 2020 which resulted in settlement of principal and interest outstanding of Rs.68,730 Lakhs (GVKEL Rs.12,139 Lakhs and AHPCL Rs.56,591 Lakhs) at Rs.52,500 Lakhs (GVKEL Rs.3,800 Lakhs and AHPCL Rs.48,700 Lakhs) along with interest rate of 12.50% pa compound monthly w.e.f. September 16, 2020 till July 31, 2021, which was further extended up to March 31, 2022. AHPCL and GVKEL has made total payments of Rs.33,059 Lakhs resulting in balance payable of Rs. 27,115 Lakhs including interest till May 16, 2022 (GVK EL Rs.3,506 Lakhs and AHPCL Rs.23,609 Lakhs). AHPCL and GVKEL has requested for further time till August 31, 2022 from Edelweiss for making balance payment and were in discussions with them.

However, Edelweiss has withdrawn the settlement agreement vide its mail dated April 11, 2022. Edelweiss has also written letter dated July 08, 2022 invoking the Corporate Guarantee issued by GVKEL and GVKPIL.

Further, since GVKEL and AHPCL could not make the payment as per settlement terms, ECL Finance Limited (Edelweiss) has invoked the pledge of equity shares and transferred 46,60,11,000 Equity shares, each having face value of Rs 10, of AHPCL held by GVK Energy Limited on May 16, 2022. ECL Finance Limited will continue to hold these shares as security on behalf of Edelweiss for the loans taken/NCD issued by AHPCL & GVKEL. ECL Finance Limited reserved the right to sell the same as per the terms of the pledge agreement read with security sharing agreements.

GVKEL filed a suit before Delhi High Court on May 30, 2022, wherein GVKEL pleaded that because of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. The Hon'ble High Court Delhi has given interim order dated May 31, 2022 wherein it is stated that while selling the shares of AHPCL by Lenders, the best offer received by them would be communicated to the GVKEL and GVKPIL as well as to the Court, and an opportunity would be given to them to match the

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

said offer within five days. In the meanwhile, if GVKEL and GVKPIL get an offer for the aforesaid shares, they shall also inform the defendants as well as the Court. In the event GVKEL and GVKPIL are unable to match the offer of the lenders, the lenders would be free to sell the said shares at the best offer received by them. Till the time, the shares which are invoked are sold in the aforesaid manner, the lenders shall not sell any other shares that have been pledged by the GVKEL and GVKPIL with the lenders. However, the lenders shall be free to invoke the pledged shares. Next hearing of the case is scheduled on July 09, 2024.

GVKEL has transferred the liability of AHPCL in its books of account relating to Edelweiss and based on legal opinion, GVKEL has shown the discharge of the loan liability of Edelweiss against the invoked shares till a settlement is arrived at with Edelweiss. GVKEL has not accounted for the impact of the annulment of settlement since they are confident of achieving settlement with Edelweiss. However, on conservative basis, a loss on invocation and transfer of shares, amounting to Rs.19,486 Lakhs during year ended March 31, 2023 (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL as per settlement terms) has been accounted in the books of accounts and reported as an exceptional item in the standalone financials of GVKEL and consolidated financials of GVKPIL.

Due to above mentioned default in the repayment of amount due on Loan / NCDs, Edelweiss (through its debentures trustee namely Catalyst Trusteeship Limited) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKPIL (being the Guarantor of the Loan / NCDs) and GVKEL on October 21, 2022 and the next hearing of the case is scheduled on July 12, 2024.

Meanwhile, AHPCL, GVKEL and GVKPIL has entered into a settlement agreement with the lenders on October 09, 2023, which requires to pay Rs 33,000 Lakhs up to October 31, 2023 and simple interest @12.50% pa is payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023 and due date further extended till Jun 30, 2024 with phased payments. On 27th February'24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 20,000 Lakhs out of Rs 33,000 lakhs and Rs.13,000 Lakhs to be brought in by GVKPIL group and till date GVKPIL group has paid an amount of Rs 9,150 lakhs as agreed.

As per the terms of the settlement, lenders will release the securities including the transfer of 46,60,11,000 Equity shares, each having face value of Rs.10, of AHPCL to GVKEL on payment of amount due as per the settlement agreement.

**49.** The parent company has wholly own subsidiary company viz. GVK Transportation Pvt. Ltd. (GVKTPL). Two of the subsidiaries of GVKTPL are facing uncertainties, detailed as below:

a). GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL), a wholly owned step down subsidiary of the parent company has carried out project work towards the Concessionaire Agreement entered with Gujarat State Road Development Corporation Limited (GSRDC). During construction, there has been significant delays in fulfilling the obligations from GSRDC like providing Land required for construction, right of way, shifting of utilities etc., which has resulted in significant delays in construction. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to the same, GVK BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement process will be as per the Concession Agreement.

GVK BVEPL has approached The International Centre for Alternative Dispute Resolution (ICADR) for appointment of Arbitration Tribunal (AT). Arbitration Tribunal is constituted, and the dispute is being addressed. GSRDC has filed a claim of Rs 108,419 lakhs and GVK BVEPL has filed its statement of Defense and a counter claim of Rs.91,325 lakhs as termination payment due to GSRDC default (apart from various other claims towards Loss of Profit, Interest Payment on Debts etc.) disputing the very process of termination and are also taking other necessary legal remedies in this regard. Initially GVK BVEPL intended to bring into substitution process, however despite best efforts of GVK BVEPL, substitution process could not be completed. Meanwhile GSRDC awarded project to two different contractors. Hence GVK BVEPL is no more going concern, and the financials are prepared accordingly since financial year ended March 31, 2020.

GVK BVEPL is closely working with the lenders by explaining to them the intricacies of the project and outlining support required to give effect to the process of arbitration. Tribunal having heard arguments of both sides has given a split verdict, Justice Thakkar and Justice Panchal have rendered a combined award of Rs 41,296 Lakhs in favor of GSRDC and Justice Deepak Varma had passed a dissenting award of Rs.27,438 Lakhs in favor of the Company. Till date GVK BVEPL not yet received the signed copy of the order. Considering this split award and based on the facts, the company has filed an appeal before Commercial Court, Ahmedabad on November 20, 2023 and the matter is coming up for hearing on 20.06.2024.

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

All the loan accounts are non-performing assets, and the company has received recall notices from the banks and financial institutions and hence borrowing from the banks and financial intuitions are treated as current borrowings.

Based on its internal assessment, GVK BVEPL is confident that it will be able to recover the amounts spent on the project till date and is also confident that claims made by GSRDC will be struck down and accordingly management believes that it is appropriate to recognize total assets aggregating to Rs. 58,919 lakhs; comprising Rs.58,916 lakh as Other Non-Current financial assets and Rs.3 lakh as Property Plant & Equipment on March 31,2024 (March 31, 2023, Rs. 58,919 lakhs) at carrying value in the financial statements and at present there is no provision for impairment is found to be necessary.

- b). GVK Deoli Kota Expressway Private Limited (GVK DKEPL), a wholly owned step-down subsidiary of the parent company. On June 25, 2019, GVK DKEPL has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway. Further, GVK DKEPL has claimed a termination payment of Rs. 169,650 lakhs (apart from various other claims towards future loss, Loss of Toll Revenue, Loss suffered on account of additional overheads etc.) from NHAI as per the terms of the Concession Agreement. In response to the above notice, GVK DKEPL has received letter from NHAI dated July 03, 2019, denying the claim of GVK DKEPL stating that the termination notice issued under clause 37.2.2 is invalid as defaults alleged by GVK DKEPL are false and NHAI has not committed any material default in complying with the provisions of the Concession Agreement.

On September 12, 2019, NHAI issued a termination notice as per clause 37.2.1 of the Concession Agreement for non-fulfillment of the obligation as stated in the Concession Agreement by Concessionaire. NHAI by virtue of this notice, is deemed to have taken possession and control of the project highway along with all the equipment on or at site. After this termination notice toll plaza is deemed to have been transferred to NHAI and from September 16, 2019, onwards NHAI started collecting the toll on the project highway.

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defense and next cross examining the witness of NHAI is scheduled on July 29, 2024.

GVK DKEPL has defaulted in repayment of principal amount and payment of interest on such term loans taken from consortium of banks and financial intuitions. As a result, the lenders have classified the term loan as non-performing asset and have recalled the entire facilities extended to the company. As result of that, the term loans have become repayable on demand, Company has not received borrowing statements and confirmation of borrowing balances from lenders.

The Concession Agreement being the sole agreement executed by the Company, termination of the same has now resulted into liquidation basis of accounting which has been adopted in preparation of these financial statements of GVK DKEPL. GVK DKEPL has recorded receivable from NHAI after setting off toll assets and other related future liabilities, which is subject to decision and process of arbitration between Company and NHAI.

GVK DKEPL based on its internal assessment is confident that it will be able to recover the balance amount spent on the project till date including its various claims and accordingly the management believes that it is appropriate to recognize total assets aggregating to Rs.44,008 lakh; comprising Rs.43,637 lakh as Other Non-Current assets, Rs.9 lakh as Property Plant & Equipment and Rs 362 Lakh as the Current Assets on March 31,2024 (Rs.44,008 lakh as on March 31,2023) at carrying value in the financial statements.

- c). GVKTPL has accumulated losses, and its net-worth has been fully eroded, GVKTPL has incurred a net loss during the current and previous period/ year(s) and net cash loss during the current year and the company's current liabilities exceeded its current assets as at the balance sheet date. J.C. Flowers Asset Reconstruction Pvt Ltd (Debt assigned by Yes bank) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKTPL on February 24, 2022, and replies filed and reserved for orders on May 29, 2024. GVKPIL has not provided any corporate guarantees for GVKTPL and its subsidiaries.

- 50.**GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), step down subsidiary of GVK Power and Infrastructure Limited has entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVK Ratle started the project development and had spent/ paid advances to the tune of Rs.101,552 lakhs (till March 31,2021) on various works. However, there were significant delays in the construction of the project due to the impediments like land acquisition and execution of land, leases, issues in relation to

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

working conditions, disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc.

GVK Ratle requested for termination of project and offered for an amicable settlement. JKPDD rejected such settlement offer stating that the delays are tantamount to event of default from GVK Ratle. GVK Ratle initiated the arbitration process and Tribunal vide its order dated 11th July'20 and rectification order dated 7th September'20 had accepted the contentions of the company and had given an award of Rs.29,048 Lakhs in favor of GVK Ratle. Not satisfied with the order, GVK Ratle has filed an appeal before district court, Kishtwar on 8th December,2020 against the said award, which is challenged by JKPDD and court granted the stay on proceedings. Meanwhile, GVK Ratle has filed an appeal before Supreme Court, the supreme court stayed all proceedings before the District Court, Kishtwar until it decides the issue relating to applicability of J&K Arbitration Act, 1997, even after it was repealed by J&K State Reorganization Act, 2019. The matter is yet to be listed for hearing before the Supreme Court.

GVK Ratle had also entered into a settlement agreement with its lender on 24th November'21 and the award realized from the JKPDD will be paid to lender as per the settlement agreement. Considering the fact of termination of the project and settlement with the lenders, the company has adopted the liquidation basis of accounting in preparation of these financial statements and treated the amount recoverable as per award as its asset with similar amount payable to lender as its liability as per settlement agreement.

- 51.** GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company has Investment Property having book value of Rs.11, 655 Lakh (March 31, 2023, Rs.11, 655 Lakh). GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Parent Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, despite the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security.

Enforcement Directorate (ED) had tried to provisionally attach the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021, has stayed the proceedings of such provisional attachment of Land by issuing show Cause Notice to ED. As on day no response has been submitted and the status quo is maintained.

The matter is under litigation. Pending these litigations, the Investment Property having book value of Rs.11,655 Lakh (March 2023: Rs 11,655 Lakhs) is shown as recoverable since the Management is confident of winning the cases on merits.

- 52.** As at March 31, 2024, the GVKPIL Group had accumulated losses and the GVKPIL Group has incurred losses excluding exceptional item during preceding years. The GVKPIL Group's current liabilities are in excess of current assets. Three of the subsidiary companies where the project has been terminated are following liquidation basis of accounting. The GVKPIL group has delayed/defaulted in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under the Insolvency and Bankruptcy Code in certain cases. The Resolution professional have also been appointed in certain cases by NCLT. There are various litigations going on in the GVKPIL Group. The GVKPIL Group has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 46, 47, 49(a) and 49(b) (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Deoli Kota Expressway Private Limited), uncertainties are being faced by various projects such as delays / non development of coal mines in an overseas project where the parent Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge, arbitration on delay of commencement of road projects, termination of various projects etc. Various guarantees given by GVKPIL and GVK Energy Limited (GVKEL) on behalf of their subsidiaries, associates and joint controlled entity have been invoked by the lenders. These factors indicate significant doubt on going concern ability of the GVKPIL group. Notwithstanding the above, the financial statements of the GVKPIL Group have been prepared on going concern basis as management believes that the GVKPIL Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is



## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

confident that aforesaid entities would win litigations; will reach an optimal solution with non-controlling shareholders and lenders etc. as required despite current macro-economic environment challenges.

**53.** In June 2020, Central Bureau of Investigation (CBI) has registered a First Information Report (FIR) against MIAL, its parent Company GVK Airport Holdings Limited (GVKAHL) (both are erstwhile step-down subsidiaries of the Company), the Chairman and Vice Chairman of the Company and has initiated investigation on various matters alleging misuse of funds of MIAL including for the benefit of other GVK group and related parties. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against MIAL, Vice Chairman & erstwhile CFO of the parent Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the charge sheet has been taken and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated, and no offence u/s section 420 IPC is made out as there is no loss to AAI, Government, or any Tax Authorities as alleged. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid proceedings.

The Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) based on an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the un-relied documents and un-relied statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on 27.06.2024.

The Audit Committee of the parent Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings with cases related to CBI and ED, the implications, if any, that may arise on the GVKPIL group can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid investigation.

**54.** The Board of Directors has approved the scheme of amalgamation in their meeting 23rd March, 2022 for with regard to Amalgamation of

- GVK Airport Services Private Limited (Transferor Company -1),
- GVK Power (Khadar Sahib) Private Limited (Transferor Company -2),
- GVK Shivpuri Dewas Expressway Private Limited (Transferor Company -3),
- Sutara Roads & Infra Limited (Transferor Company -4)
- GVK Power & Infrastructure Limited (Transferee Company) "

The application has been filed with National Company Law Tribunal, Hyderabad on 31st March, 2022, seeking for the dispensation of shareholders & credits meeting and same has been allowed by order dated January 09, 2023 read with order dated February 28, 2023. Subsequently, a petition was filed on June 08, 2023 for approval of the proposed scheme of amalgamation. The petition was heard before NCLT and the listing order was passed on July 04, 2023 directing the Petitioners to issue notice to the statutory authorities and also file a paper publication. Pursuant to the directions, the Petitioner companies have complied with the necessary directions and have not received any comment from any of these authorities. The NCLT asked to furnish further documents and the next date of hearing is on June 21, 2024. In view of the in ordinate delay in approval the company propose to withdraw the application of merger.

**55.** The Company and its erstwhile subsidiary GVK Airport Developers Limited (GVK ADL) had entered into a binding agreement comprising a co-operation agreement and other related agreements with Adani Airport Holdings Limited (AAHL) on August 31, 2020 and subsequent dates. This includes acquisition of the debt by AAHL from various lenders of GVKADL with a view to release pledge on certain shares of GVK Airport Holdings Limited (GVKAHL) and with an ability for AAHL to convert the acquired debt from the lenders of GVKADL to equity so as to acquire equity interest in Mumbai International Airport Limited

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

(MIAL) and also acquiring Company's equity and other instruments in GVKADL and also possible acquisition/ settlement of debt of GVK Coal Developers (Singapore) Pte Ltd (GVK Coal) (with a view to release pledge on remaining shares of GVKAHL). AAHL has since acquired the debt of GVKADL from lenders and has converted the same to equity acquiring controlling interest in GVKADL on July 13, 2021. Consequently GVKADL, Bangalore Airport & Infrastructure Developers Limited (BAIDL), GVKAHL, MIAL and Navi Mumbai International Airport Limited (NMIAL) are no longer subsidiaries of the Company from July 13, 2021.

The broad contours of the co-operation and related agreements is detailed below:

- (i) Acquisition of debt and related accrued interest with carrying value in the financial statements of GVKADL of Rs. 255,107 lakhs by AAHL.
- (ii) AAHL acquiring certain securities of Sutara Roads & Infra Limited, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of co-operation agreement.
- (iii) Acquiring equity of Rs. 30,000 lakhs and other instruments of Rs.100,000 lakhs held by GVKPIL and its subsidiary in GVKADL by AAHL to be settled by transfer of securities held by AAHL referred to in (ii) above. The said security as held by AAHL will be transferred on the date when GVKPIL transfers the balance shares of GVKADL.
- (iv) GVKPIL and AAHL have also agreed on certain steps to be taken in respect of lenders of GVK Coal. "

GVKPIL has sold its majority holding in GVKADL to AAHL and AAHL has acquired and hold the securities as per Para (ii) above during the financial year ended March 31, 2022. The balance shares of GVKADL are yet to be acquired by AAHL. The management of the group considered GVKPIL as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.137,464 Lakhs held by AAHL as per Para (ii) above in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of GVKPIL at Rs.137,464 Lakhs in the standalone financial statements and Rs.112, 464 Lakhs in the Consolidated financial statements.

## 56. Related Parties

(a) Enterprises over which Key Managerial Personnel exercise significant influence		
1	Crescent EPC Projects and Technical Services Limited	
2	GVK Technical & Consultancy Services Private Limited	
3	GVK Foundation	
4	EMRI Green Health Services	
5	Orbit Travels & Tours Private Limited	
6	Paigah House Hotel Private Limited	
7	Pinakani Share and Stock Broker Limited	
8	TAJ GVK Hotels & Resorts Limited	
9	Green Wood Palaces & Resorts Private Limited	
10	Aada Traders Private Limited	
11	Cygnus Real Estates Private Limited	
12	Indira Constructions	
(b) Key Managerial Personnel		
1	Dr. GVK Reddy	Chairman
2	Mr. G V Sanjay Reddy	Director
3	Mr. P V Prasanna Reddy	Director
4	Mr. Anumolu Rajasekhar	Director
5	Mr. Anil Kumar Reddy	Director
6	Ms. Rama Rao	Director
7	Mr. Ilyas Ghulam Hussain Ghouse	Director (From 01-Jan-2022)
8	Mr. Bala subramanian.S	Director (Till 11-Nov-2022)
9	Mr. Krishna R Bhupal	Director (Till 31-Dec-2022)
10	Mr. A Issac George	CFO& Director (Till 31-Aug-2023 )
11	Mr. Sanjeev Kumar Singh	CFO (From 26-Sep-2023)
12	Mr. Ravi Prakesh	Company Secretary (From 01-Sep-2023)
13	Mr. P V Rama Seshu	Company Secretary (Till 31-Aug-2023)

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

<b>(c) Subsidiary</b>	
	GVK Power (Goindwal Sahib) Limited (GVKPGSL) (Subsidiary of JCE till February 03, 2022 & Subsidiary from February 04, 2022 to October 10, 2022 and admitted in the CIRP)
<b>(d) Jointly Controlled Entities</b>	
	GVK Gautami Power Limited (Jointly controlled entity till 20-Oct-2023 and admitted in the CIRP)
<b>(e) Associates</b>	
	GVK Coal Developers (Singapore) Pte Ltd.
<b>(f) Associate of a Jointly controlled entity</b>	
	Seregraha Mines Limited (Associate of GVKPGSL)

### A. Details of related party transactions during the year:

	March 31, 2024	March 31, 2023
<b>Services received</b>		
GVK Technical and Consultancy Services Private Limited	760	739
TAJ GVK Hotels and Resorts Limited	2	2
Green wood Palaces and Resorts Private Limited	-	2
<b>Rent</b>		
Paigah House Hotel Private Limited	-	12
<b>Reimbursement of Expenses</b>		
GVK Power (Goindwal Sahib) Limited #	1	17
GVK Technical & Consultancy Services Private Limited	12	9
Crescent EPC Projects and Technical Services Limited	2	2
<b>Advances Written Off</b>		
GVK Industries Limited	7	40
GVK Gautami Power Limited	71	225
<b>Remuneration to key managerial personnel</b>	87	199
<b>Donation</b>		
GVK Foundation	1,765	2,598
<b>Corporate Social Responsibility</b>		
EMRI Green Health Services	694	-
<b>Interest income on financial assets</b>		
Crescent EPC Projects and Technical Services Limited	119	7
<b>Loans given</b>		
Crescent EPC Projects & Technical Services Private Limited	1,301	749
GVK Gaumtami Power Limited	71	225
GVK Industries Limited	7	40
<b>Loans repaid</b>		
Crescent EPC Projects & Technical Services Private Limited	-	351
GVK Power (Goindwal Sahib) Limited	1,197	
GVK Technical & Consultancy Private Limited	-	10

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

	March 31, 2024	March 31, 2023
<b>B Year end balances Receivables/ (Payables)</b>		
GVK Technical and consultancy Services Private Limited	(192)	(217)
Crescent EPC Projects and Technical Services Limited	2,189	(717)
EMRI Green Health Services	(14)	(14)
GVK Power (Goindwal Sahib) Limited #	(6,545)	(5,366)
Pinakini Share and Stock Broker Limited	(6)	(6)
Green wood Palaces and Resorts Private Limited	-	-
TAJ GVK Hotels and Resorts Limited	-	-
Paigah House Hotel Private Limited	-	-
<b>Corporate Guarantee (Outstanding loan balance)</b>		
GVK Coal Developers (Singapore) Pte Limited	462,642	456,222
<b>Pledge of investment (number of shares)</b>		
GVK Coal Developers (Singapore) Pte Limited	333,874,882	333,874,882

### Note:

# Subsidiary of JCE till February 03, 2022 & Subsidiary from February 04, 2022 to October 10, 2022 and admitted in the CIRP.

## Jointly controlled entity (JCE) till 20-Oct-2023 till February 03, 2022 and admitted in the CIRP.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**57.** The Group has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**58.** The Code of Social Security, 2020 ("Code") relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently the Ministry of Labour and Employment had released the draft rules on the aforementioned code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the code will come into effect.

**59.** Details of Benami Property held

The Group does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

**60.** Details relating to wilful defaulter

The Group is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines in wilful defaulters issued by the Reserve Bank of India.

**61.** The Group has complied with the number of layers for its holding in downstream compines prescribed under clause(87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

**62.** Relationship with Struck off Companies

The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**63.** Registration of charges or satisfaction with Registrar of Companies

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**64.** Undisclosed income

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

## Notes to the consolidated financial statements

(All amounts in INR lakhs, except share data and where otherwise stated)

### 65. Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### 66. The Following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Type of Borrower	Loans/ Advances granted Individually or Jointly with other. (Individually / Jointly)	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	March 31, 2024		March 31, 2023	
				Amount outstanding as at the balance sheet date	% of Total	Amount outstanding as at the balance sheet date	% of Total
Related Parties	Individually	Yes	No	2,052	100%	751	100%
Total of Loan and Advances in the nature of Loan (Refer Note 15)				2,052		751	

### 67. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

### 68. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730





# **STANDALONE FINANCIAL STATEMENTS**

# Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

## Report on the audit of Standalone Financial Statements

### Disclaimer of Opinion

1. We were engaged to audit the accompanying standalone financial statements of GVK Power & Infrastructure Limited ("the Company" "GVKPIL"), which comprise the standalone Balance Sheet as at March 31, 2024, the standalone statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and standalone Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including material accounting policies and other explanatory information.
2. We do not express an opinion on the accompanying standalone financial statements of the company. Because of the significance of the matters involving uncertainties, described in the "Basis of Disclaimer of opinion" section of our report, notwithstanding having obtained sufficient appropriate audit evidence regarding most of the individual uncertainties, it is not possible for us to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the standalone financial statements.

### 3. Basis for Disclaimer of Opinion

We draw your attention to following notes of the standalone financial statements:

- i. We draw attention to note 54 to the standalone financial statements which states that as at March 31, 2024, the company, its subsidiaries, associates and Joint Control Entity has incurred losses excluding exceptional item during preceding years. The Company's current liabilities are significantly in excess of current assets. Three of the subsidiary companies where the project has been terminated are following liquidation basis of accounting. The subsidiaries, associates and Joint Control Entity have delayed/defaulted in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under the Insolvency and Bankruptcy Code in certain cases. The Resolution professional have also been appointed in certain subsidiaries/joint control entities by NCLT. There are various litigations going on. The GVKPIL has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 49 and 50 (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited) uncertainties are being faced by various projects such as delays / non development of coal mines in an overseas project where the Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge etc. Various guarantees given by GVKPIL and GVK Energy Limited (GVKEL) on behalf of their subsidiaries, associates and joint controlled entity have been invoked by the lenders. These factors indicate significant doubt on going concern ability of the GVKPIL. Notwithstanding the above, the financial statements of the GVKPIL have been prepared on going concern basis as management believes that the GVKPIL would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; will reach an optimal solution with non-controlling shareholders and lenders etc. as required despite current macro-economic environment challenges. Considering the various uncertainties involved as fully described in the Basis of Disclaimer section of our report, the probable impact could be material and pervasive on these standalone financial results and that may cause significant doubt on company's ability to continue as a going concern. Accordingly, we are unable to comment that the management assumption of preparing these financial statements on going concern basis is appropriate.
- ii. We draw attention to Note No 49 to the standalone financial statements regarding GVK Coal Developers (Singapore) Pte. Limited, (GVK Coal Developers) (an associate) in which the GVKPIL has investments and has receivables aggregating to Rs.78,634 Lakhs and to whom the company along with others jointly and severally had given irrevocable and unconditional guarantee and commitments for loans up to aggregating to USD 1,132.45 Million (Rs.9,44,168 Lakhs) (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the finance documents or USD 692.61 Million) taken by the aforesaid associate Company part of which is collateralized by pledge of 155,587,500 (March 31, 2023: 155,587,500), 130,287,382 (March 31, 2023: 130,287,382) and 48,000,000 (March 31, 2023: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11million (Rs.2,593 Lakhs) with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The GVK Coal Developers current liabilities exceeded



## GVK Power & Infrastructure Limited

current assets by USD 2,624 million (Rs.21,87,713 Lakhs) as of March, 2024 and accumulated losses as of March, 2024 is USD 1,386 million (Rs. 11,55,562 Lakhs) based on audited special purpose consolidated financial statements of GVK Coal Developers (Singapore) Pte. Limited. The GVK Coal Developers lenders filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal Developers. During the current financial year 2023-24, the England court vide its order dated October 19, 2023 has crystalized the amount payable by the defendants (GVKPIL and other guarantors / stakeholders in GVK Coal Developers) at USD 2.19 billion including the amount towards interest.

As per legal opinion obtained by the company, the order dated 19th October 2023 passed by the England court is not speaking order. It has also been opined that the Order dated 19.10.2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

As per the GVKPIL management, several attempts were made by the company to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement.

The GVK Coal Developers having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal Developers dues.

Further, one of the lenders has filed an application under Section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the GVKPIL (being guarantor for loan taken by GVK Coal Developers) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed the reply. As per the NCLT website, initially final hearing was mentioned as 24.04.2024 but the authority has partly heard the details and next hearing is scheduled on 31.05.2024.

As per the GVKPIL management, petition filed by the ICICI Bank against GVKPIL is barred by Section 10A of the Code as the invocation of the Guarantee was admittedly done vide invocation of guarantee dated 02.11.2020 and as such the invocation of the guarantee on GVKPIL falls squarely within the period prescribed by Section 10A of the code. As per Section 10A, no application for initiation of corporate insolvency resolution process can be filed in respect of a default that has occurred on or after 25th March, 2020 till 25th March, 2021. However, as per ICICI Bank petition, the account (GVK Coal Developers) has become NPA with all the lenders around FY 2016-17. The ultimate outcome of the same and the resultant impact of the same on the financial statements is not ascertainable and cannot be commented upon.

GVKPIL is hopeful of achieving one time settlement with the lenders in view of its arrangement with Adani Airport Holdings Limited (AAHL) which is adequately incentivized to find solution with the lenders to get unencumbered ownership over the shares of GVK Airport Developers pledged with the lenders.

While the GVKPIL has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.78,634 Lakhs, no provision has been made towards the Corporate Guarantee and commitments issued by GVKPIL. Considering the various uncertainties and complexities involved as mentioned above, we are unable to comment on the viability of the GVK Coal project and the additional provision that may be required concerning the aforementioned guarantees and commitments made by the GVKPIL and the resultant impact of the same on these standalone financial statements.

iii. We draw attention to Note 50(e) to the standalone financial statements, the company (GVKPIL) has subsidiary company GVK Energy limited (GVKEL). The company assessed based on the valuation carried out and other relevant factors, no provision is considered necessary in standalone books of accounts of GVKPIL towards the carrying value of investment in GVKEL of Rs 841.20 Crores and Loan and trade receivables of Rs.108.41 Crores though certain subsidiaries and joint ventures of GVKEL are facing uncertainties, detailed as below:

a) We draw attention to Note 50(b) to the standalone financial statements regarding GVK Power (Goindwal Sahib) Limited ("GVKPGSL"), a step-down subsidiary of GVKPIL up to 10th October 2022, as the same has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the GVKPGSL. Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKPGSL.

During the current financial year 2023-24, the Resolution plan submitted by resolution applicant has been approved by the Hon'ble NCLT Hyderabad vide its order dated 22nd December 2023. As per the said order, the secured lenders have received Rs.1,078 crores against their claims of Rs.6,585 Crores. i.e. with a deficit of Rs.5,507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. Lenders through its

security trustee (IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1,494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing is fixed on July 10, 2024. No provision has been made by GVKEL against these Corporate Guarantees.

As per GVKPIL management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per the GVKPIL management, the liability of the Corporate Guarantor also extinguishes.

The contention of the management is subject to interpretation and there are different judgements on the same. Further, as per the Corporate Guarantee agreement, the liability of the guarantor under this guarantee shall not be affected by:

- Any change in constitution, ownership or corporate existence of the borrower or any absorption, merger, or amalgamation of the borrower with any other company
- Any insolvency, liquidation, bankruptcy or similar situation proceeding in respect of the borrower

Accordingly, there is an uncertainty on the final outcome of the same and the extent of the liability that may arise in respect of guarantee given by GVKEL is presently not ascertainable. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying standalone financial statements.

- b) We draw attention to Note No. 50(c) to the standalone financial statements as per which GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL has been admitted into Corporate Insolvency Resolution Process (CIRP) during the current financial year 2023-24, i.e. on October 20, 2023, based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GVKEL has already provided for an impairment for the full value of investment in GVKGPL of Rs 51,897 Lakh.

The GVKEL has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not been invoked by lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GVKEL. This Corporate Guarantee may however be invoked by the Lenders of GVKGPL considering the default therein and Insolvency proceedings undergoing in GVKGPL. In such an eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKGPL is negative. The extent of the liability that may arise in respect of guarantee given is not determinable at present and no provision has been made in this regard in relation to such liability.

In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying standalone financial statements.

- c) As discussed in detailed in Note 50(d) to the standalone financial statements regarding annulment of settlement by Edelweiss with respect to their loans / NCDs to GVKEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GVKEL of Rs.10 each, recording of exceptional loss of Rs.19,486 lakhs during the year ended March 31, 2023 by GVKEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset, GVKEL liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. Next hearing of the case is scheduled on July 09, 2024.

Due to above mentioned default in the repayment of amount due on Loan / NCDs, ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss") (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, the company has filed its replies and next hearing of the case is scheduled on July 12, 2024.

Meanwhile, during the current financial year 2023-24, AHPCL, GVKEL and GVKPIL has entered into another settlement agreement with the lenders on October 09, 2023, which requires to pay Rs 33,000 Lakhs and simple interest @12.50% pa is

## GVK Power & Infrastructure Limited

payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023. The GVKPIL Group could not comply with the settlement terms and requested for extension of time to Edelweiss and they have extended the time till 30th Jun'2024 with phased payments. On 27th February'24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 20,000 Lakhs out of Rs 33,000 Lakhs to be paid and Rs.13,000 Lakhs to be brought in by GVKPIL group. Till date GVKPIL group has paid an amount of Rs 9,150 Lakhs out of Rs 13,000 Lakhs to be brought in by them. There are delays in payment of this phased amount as well. In case of failure to comply with any of the terms and conditions specified, this settlement shall stand revoked without any notice and the original dues payable by the GVKPIL Group /Borrower shall be reinstated and lender shall be entitled to recover the total dues together with applicable interest. Management has represented that they can make remaining payment and waiting for approval of all lenders of AHPCL. In view of the same, we are unable to comment on the accounting done in this regard in books of account and the ultimate impact of the same including of the invocation of the settlement offer by Edelweiss, invocation of pledged shares of AHCPL by Edelweiss, invocation of corporate guarantee issued by the GVKPIL and GVKEL and impact of the proceedings in the NCLT, if any on the standalone financial statements till the payment of dues as per settlement agreement.

Further, in the light of the above para iii (a), (b) and (c), we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying standalone financial statements with respect to the balance amount of investments, loans and trade receivables of GVKEL, aggregating to Rs.94,961 Lakhs in the books of GVKPIL

- iv. Note 53 to the standalone financial statements regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the company by us including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against Mumbai International Airport Limited (MIAL), Vice Chairman & erstwhile CFO of the Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the chargesheet has been taken again and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated and no offence u/s section 420 IPC has been made out as there is no loss to AAI, Government, or any Tax Authorities as alleged.

In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the unrelayed documents and unrelayed statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on 27.06.2024.

The Audit Committee of the Company, based on the legal advice received by the Audit committee of Mumbai International Airport Limited (MIAL), have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings with cases related to CBI and ED, the implications, if any, that may arise on the GVKPIL can't be ascertained and the impact if any of the same on the standalone financial statements cannot be commented upon.

- v. We draw attention to Note 52 to the standalone financial statements regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company. GVK SEZ has Investment Property having book value of Rs.11,655 Lakh as on 31st March 2024. GVK SEZ stood as a Guarantor and mortgaged its land having book value as mentioned above (admeasuring 2,506.25 Acres) to Syndicate Bank (since merged with Canara Bank) on account of loans taken by GVKPIL. GVKPIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, Canara bank has not issued a no due certificate and has not returned the original title documents by exercising the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of



GVK Coal (Singapore) PTE Ltd, an associate of GVKPIL. GVKPIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian Contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on March 31, 2024, the status remains the same. The matter is under litigation. Pending these litigations, the recoverability of the investments made by GVKPIL in GVKSEZ of Rs.10,920 Lakhs is not determinable.

#### **4. Emphasis of Matter**

We draw attention to Note 55 to the standalone financial statements regarding sale of majority holding of GVK Airport Developers Limited (GVKADL) by company to Adani Airport Holding Limited (AAHL) as per binding co-operation agreement dated August 31, 2020 and other related transaction documents. AAHL has acquired and hold the securities as per co-operation agreement at the end of the financial year. The management considered the company as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.112,464 Lakhs held by AAHL as per co-operation agreement in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of company in the standalone financial statements. These investments in OCDs made by AAHL are yet to be transferred in the name of the company.

#### **5. Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's Board of Directors are responsible for the preparation and presentation of the Standalone financial statements that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone financial statements by the Directors of the Company, as aforesaid.

In preparing the Standalone financial statements, the Board of Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

#### **6. Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the significance of the matters involving uncertainties, described in the "Basis of Disclaimer of opinion" section of our report, notwithstanding having obtained sufficient appropriate audit evidence regarding each most of the individual uncertainties, it is not possible for us to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) and the provisions of Companies Act 2013 that are relevant to our audit of the financial statements in India under the Companies Act 2013 and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies Act 2013.

## 7. Report on Other Legal and Regulatory Requirements

7.1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, and except for the possible effects, of the matter described in the Basis for Disclaimer of Opinion section, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

7.2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Due to the effects/possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) Due to the effects/possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) Due to the effects/possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether they have any adverse effect on the functioning of the company.
- f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a disclaimer of opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statement. .
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer notes 26(B)&(C) to the financial statements.
  - ii. Due to the effects/possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the company has long term contracts as at March 31, 2024 for which there were no material foreseeable losses. Also, the company did not have any derivative contracts as at March 31, 2024.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024;
  - iv. (a) The Management has represented and refer note no. 43 to the standalone financial statements, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented and refer note no. 43 to the standalone financial statements, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or

invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above we are unable to state whether the representations under sub- clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year

vi. Based on our examination, which included test checks, except for the instance mentioned below, the company used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

- The feature of recording audit trail (edit log) facility was not enabled at the database level at GVKPIL to log any direct data changes for the accounting software used for maintaining the books of account.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Date: 28.05.2024  
Place: Hyderabad

For **T R Chadha & Co LLP**  
Chartered Accountants  
Firm Registration Number: 06711N\N500028  
**Sheshu Samudrala**  
Partner  
Membership No-235031  
UDIN: 24235031BKCTTY3498

## Annexure A to Independent Auditors' Report

### on the Standalone Financial Statements of GVK Power & Infrastructure Limited for the year ended 31 March 2024

Referred to in paragraph 7.1 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the members of GVK Power & Infrastructure Limited on the standalone financial statements for the year ended March 31, 2024

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

#### i. Property, Plant and Equipment and Intangible Assets

- a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment;  
B. The Company does not have intangible assets, therefore, the provision of paragraph 3(i)(a)(B) of the Order is not applicable to the Company ;
- b) The Company has a programme of physical verification to cover Property, Plant and Equipment whereby all these assets are verified once in every year. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year and no material discrepancies were noticed on such verification for material items.
- c) There is no Immovable Property in the books of accounts of the Company. Accordingly, the provision of paragraph 3(i)(c) of the Order is not applicable to the Company.
- d) The Company has not revalued its Property and Plant and Equipment during the year.
- e) As disclosed by the management in Note 38 of the standalone financial statements, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

#### ii. Inventories

- a) The company does not have any inventory. Hence, reporting under clause 3(ii) (a) of the order is not applicable.
- b) The Company has not been sanctioned any working capital limits, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Hence, reporting under clause 3(ii) (b) of the order is not applicable.

#### iii Loans, Investments, Guarantees, Securities and Advances in nature of Loan

- a) The Company has provided loans to subsidiaries / joint ventures / associates during the year. The details of the same are given below:

Aggregate amounts during the year	Amount (Rs in Lakhs)		
Particulars	Guarantees	Loan	Investments
Subsidiaries	0	4,068	10,005
Related parties other than above	0	1,301	0
<b>Total</b>	<b>0</b>	<b>5,369</b>	<b>10,005</b>
<b>Balances outstanding in the year</b>			
Subsidiaries	0	10,576	95,078
Associates	462,642	0	0
Related parties other than above	0	2,050	0
Others	0	0	7,136
<b>Total</b>	<b>462,642</b>	<b>12,626</b>	<b>102,214</b>

- b) The company has given loans to relating parties which are repayable on demand. Considering the Basis of Disclaimer as given in Audit Report and the reasons described there in, we are not in a position to comment whether the terms and conditions of the loans granted and investments made during the year are not prejudicial to the interest of the Company..
- c) In the case of loans given, no schedule for repayment of principal and payment of interest has been stipulated by the company. Hence, we do not make any comment on the regularity of repayment of principal and payment of interest and overdue amount, if any, in this regard.
- d) There is no overdue amount for more than ninety days in respect of loans given as the same is repayable on demand.
- e) There is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

- (f) As mentioned in Para c above, the company has granted loans to 2 companies as per the summary given below, which are either repayable on demand or without specifying any terms or period of repayment during the year.

(Figures are in lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans granted during the year	5,369	0	5,369
Percentage of aggregate loans/advances in nature of loans to the total loans granted	100%	0	100%

#### (iv) Compliance of Sec. 185 & 186

The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of paragraph 3(v) of the Order is not applicable to the Company.

- vi. The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act. Accordingly, the provision of paragraph 3(vi) of the Order is not applicable to the Company.

#### (vii) Statutory Dues

- a. The Company has generally been regular in depositing its undisputed statutory dues including Goods and Service tax, Provident Fund, Employees State insurance, Income-tax, Custom duty, Cess and other relevant material statutory dues, which are accounted in its books of account.

There are no undisputed amounts payable in respect of above statutory dues, which were in arrears as at 31 March 2024 for a period of more than six months from the date they become payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below;

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service tax	279	July 01, 2003 to September 30, 2008	High court
The Finance Act, 1994	Service tax	111	October 1, 2008 to September 30, 2009	High court
The Finance Act, 1994	Service tax	149	October 1, 2009 to September 30, 2010	High court
The Finance Act, 1994	Service tax	87	October 1, 2010 to June 30, 2011	High court
The Finance Act, 1994	Service tax	436	June 1, 2009 to March 31, 2012	High court
The Finance Act, 1994	Service tax	170	April 1, 2012 to March 31, 2013	High court
The Finance Act, 1994	Service tax	164	April 1, 2013 to March 31, 2014	High court

- viii. As disclosed by the management in note 45 of the standalone financial statements and as verified by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

#### (ix) Application & Repayment of Loans & Borrowings

- (a) The Company has not defaulted in the repayment of loans or other borrowings to any lender, during the year. These borrowings are interest free repayable on demand taken from related parties. Please also refer Para 3(i) of Basis of Disclaimer of Opinion section above in our report.
- (b) As disclosed by the management in note 39 of the standalone financial statements, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (c) The company has not taken any term loan during the year and there are no outstanding term loan at the beginning of the year and hence, reporting under clause 3(ix) (c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the company, we report that, funds raised on short-term basis have been used for long term purposes. Please also refer Para 3 Basis of Disclaimer of Opinion section above in our report.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, the provision of paragraph 3(ix)(e) of the Order is not applicable to the Company. However, there are borrowings from subsidiary companies and loans given to subsidiary companies.



- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the provision of paragraph 3(ix)(f) of the Order is not applicable to the Company.

**(x) Application of funds raised through Public Offer**

- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provision of paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of paragraph 3(x)(b) of the Order is not applicable to the Company.

**(xi) Fraud**

- a) Except as described below, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed nor reported during the year, nor have we been informed of such case by the Management.

Refer paragraph 3(iv) of our main audit report and as disclosed in note 53 to the standalone financial statements, regarding chargesheet filed by CBI before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against Mumbai International Airport Limited (MIAL), Vice Chairman, Director & erstwhile CFO of the Company and four other GVK group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the chargesheet has been taken again and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. In addition to the above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers, and the concerned parties are cooperating with the investigating agencies. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the unrelayed documents and unrelayed statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on 27.06.2024.

We are unable to comment whether any fraud has been committed by the Company or any fraud was committed by the officers and employees of the Company, on the Company.

- b) As represented to us by the management, there were no whistle blower complaints received during the year by the Company.

**(xii)** The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

**(xiii)** In our opinion the company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting standards.

**(xiv) Internal Audit**

- (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the internal auditors issued to the Company for the period under audit.

**(xv)** During the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.

**(xvi) Registration u/s 45-IA of RBI Act**

- (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As represented to us, the Group does not have any CIC as part of the Group.

(xvii) The company has not incurred cash losses during the current financial year covered by our audit and also during the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company.

- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements including note no.54 to the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that a material uncertainty exists with respect to going concern as on the date of audit report as mentioned in Para 3 of our Audit Report on the Standalone Financial Statements.
- (xx) As disclosed by management in note 41 of the standalone financial statements, the company was not required to spend on Corporate Social Responsibility (CSR) during the year in view of the continuing losses during the last three years and there is no unspent amount towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx) (a) and 3(xx)(b) of the Order are not applicable.

Date: 28.05.2024  
Place: Hyderabad

For **T R Chadha & Co LLP**  
Chartered Accountants  
Firm Registration Number: 006711N/N500028  
**Aashish Gupta**  
Partner  
Membership No. 235031  
UDIN: 24235031BKCTTY3498

## **Annexure B to the Independent Auditors' Report**

### **on the standalone financial statements of GVK Power & Infrastructure Limited for the year ended 31 March 2024**

Referred to in paragraph 7.2(h) of the Independent Auditors' Report of even date to the members of GVK Power & Infrastructure Limited on the standalone financial statements for the year ended March 31, 2024.

#### **Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the Standalone Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of GVK Power & Infrastructure Limited (hereinafter referred to as "the Company").

#### **Management's and Board of Directors' Responsibility for Internal Financial Controls with reference to financial statements**

2. The respective Board of Directors of the company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Also refer to the Basis of Disclaimer of Opinion section of our main audit report.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.
4. Because of the matter described in Disclaimer of Opinion paragraph below, it is not possible for us to form an opinion on internal financial controls system with reference to financial statements of the Company.

#### **Meaning of Internal Financial Controls with reference to financial statements**

5. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Basis for Disclaimer of Opinion**

6. According to the information and explanations given to us and based on our audit, we draw attention to the following:
7. The Company's internal financial controls for determining whether adjustments are required to the carrying value of investments, receivables and whether any liability to be recognized for the financial assistance, corporate guarantees and commitments given to an associate and joint venture of the Holding Company were not operating effectively, which could potentially result in non-recognition of provision with regard to the aforesaid financial statement line items. Consequent to the material weakness in such internal controls, the possible effects on the financial statements of undetected misstatements could be both material and pervasive. (Refer paragraphs 3 of our main audit report).

## Disclaimer of Opinion

8. Because of the significance of the matters involving uncertainties, described in the “Basis of Disclaimer of opinion” paragraph above, notwithstanding having obtained sufficient appropriate audit evidence regarding most of the individual uncertainties, it is not possible for us to form an opinion whether the Company had adequate internal financial controls with reference to standalone financial statements and whether such internal financial controls were operating effectively as at March 31, 2024 based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.
9. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2024, and the disclaimer has affected our opinion on the financial statements of the standalone Company and we have issued a disclaimer of opinion on the financial statements for the year ended on that date. (Refer the Basis of Disclaimer of Opinion section of the main audit report.)

Date: 28.05.2024  
Place: Hyderabad

For **T R Chadha & Co LLP**  
Chartered Accountants  
Firm Registration Number: 006711N/N500028  
**Aashish Gupta**  
Partner  
Membership No. 235031  
UDIN: 24235031BKCTTY3498

## Standalone Balance sheet as at March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	23	46
<b>Financial assets</b>			
Investments	4	102,214	94,493
Non Current tax assets (net)	5	444	1,196
Other non-current assets	6	14	14
		<b>102,695</b>	<b>95,749</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	7	143,878	147,029
Trade receivables	8	344	994
Cash and cash equivalents	9	3,936	5,076
Loans	10	12,626	7,257
Other financial assets	11	118	52
Other current assets	12	362	397
		<b>161,264</b>	<b>160,805</b>
<b>Total Assets</b>		<b>263,959</b>	<b>256,554</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	13	15,792	15,792
Other equity		69,711	71,505
		<b>85,503</b>	<b>87,297</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Unearned financial guarantee liability	14	2,695	2,695
		<b>2,695</b>	<b>2,695</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	36,430	36,561
Trade payables	16		
• Total outstanding dues of micro enterprises and small enterprises		-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		110	77
Other financial liabilities	17	139,138	129,796
Other current liabilities	18	80	121
Provisions	19	3	7
		<b>175,761</b>	<b>166,562</b>
<b>Total liabilities</b>		<b>178,456</b>	<b>169,257</b>
<b>Total Equity and Liabilities</b>		<b>263,959</b>	<b>256,554</b>

General information and material accounting policies 1 and 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730



## Standalone Statement of profit and loss for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>Income</b>			
Revenue from operations	20	760	1,000
Other income	21	1,208	786
<b>Total Income</b>		<b>1,968</b>	<b>1,786</b>
<b>Expenses</b>			
Employee benefit expenses	22	191	101
Other expenses	23	933	973
Impairment of non-current investments	4	2,284	-
Depreciation expenses		11	11
<b>Total expenses</b>		<b>3,419</b>	<b>1,085</b>
<b>Profit / (Loss) before tax</b>		<b>(1,451)</b>	<b>701</b>
<b>Tax expense</b>	24		
Current tax		310	55
Taxes of earlier years		33	-
<b>Total tax expense</b>		<b>343</b>	<b>55</b>
<b>Profit / (Loss) for the year</b>		<b>(1,794)</b>	<b>646</b>
<b>Other Comprehensive Income</b>			
Items that may be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(1,794)</b>	<b>646</b>
<b>Earnings per equity share:</b>	25		
Basic earnings per share		(0.11)	0.04
Diluted earnings per share		(0.11)	0.04
Nominal value per equity share		1.00	1.00

General information and material accounting policies 1 and 2

The accompanying notes are an integral part of the financial statements.

AAs per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730

## Standalone Cash flow statement for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>1 CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit/(loss) before tax		(1,451)	701
<b>Adjustments to reconcile profit/ (loss) before tax to net cash flows:</b>			
Depreciation expenses		11	11
Impairment of Deemed investment		2,284	-
Gain on sale of current investments (net)		(640)	(492)
Interest Income		(359)	(219)
Profit on Sale of Asset		(1)	(7)
Reversal of previous year expenses		(34)	(1)
Liabilities no longer required – Written Back		(126)	-
<b>Operating profit/ (Loss) before working capital changes</b>		<b>(316)</b>	<b>(7)</b>
<b>Movement in working capital:</b>			
Decrease/(Increase) in trade receivables		676	205
Decrease/(Increase) in other current assets		35	120
Increase/(Decrease) in trade payables, current liabilities and provisions		(234)	(800)
<b>Cash generated from operations</b>		<b>161</b>	<b>(482)</b>
Taxes (paid)/refund		555	(129)
<b>Net cash generated from operating activities</b>	<b>(A)</b>	<b>716</b>	<b>(611)</b>
<b>2 CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Purchase)/ Sale of current investments, net		3,791	(2,145)
Investments in subsidiaries/ associates/related party including share application money		(407)	(684)
Decrease/(Increase) in other non current assets		-	-
Loans (given)/refunds to/from subsidiaries/related party		(5,369)	4,572
Sale/ (Purchase) of property, plant and equipment		(13)	13
Interest received		273	174
<b>Net Cash (used in)/ generated from Investing Activities</b>	<b>(B)</b>	<b>(1,725)</b>	<b>1,930</b>
<b>3 CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds/ (Repayment) of short term borrowings (net)		(131)	(277)
<b>Net Cash generated from/(used in) Financing Activities</b>	<b>(C)</b>	<b>(131)</b>	<b>(277)</b>
Net increase/ (decrease) in Cash and Cash Equivalents	<b>(A+B+C)</b>	<b>(1,140)</b>	<b>1,042</b>
Cash and Cash Equivalents at the beginning of the year		5,076	4,034
<b>Cash and Cash Equivalents at the end of the year</b>		<b>3,936</b>	<b>5,076</b>
<b>Components of cash and cash equivalents</b>			
Balance with banks:			
Current accounts		3,936	5,076
<b>Total cash and cash equivalents (Refer Note 9)</b>		<b>3,936</b>	<b>5,076</b>
General information and significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730

## Standalone Statement of Changes in Equity

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### a) Equity share capital

	Number of Shares	Rs. In Lakhs
<b>As at April 01, 2022</b>	<b>1,579,210,400</b>	<b>15,792</b>
Issued during the year	-	-
<b>As at March 31, 2023</b>	<b>1,579,210,400</b>	<b>15,792</b>
Issued during the year	-	-
<b>As at March 31, 2024</b>	<b>1,579,210,400</b>	<b>15,792</b>

### b) Other Equity

	Reserves and Surplus			Total
	Retained Earnings	Securities premium	General reserve	
<b>As at April 01, 2022</b>	<b>(145,203)</b>	<b>215,935</b>	<b>127</b>	<b>70,859</b>
Add: Profit/ (Loss) for the year	646	-	-	646
<b>At March 31, 2023</b>	<b>(144,557)</b>	<b>215,935</b>	<b>127</b>	<b>71,505</b>
Add: Profit/ (Loss) for the year	(1,794)	-	-	(1,794)
<b>At March 31, 2024</b>	<b>(146,351)</b>	<b>215,935</b>	<b>127</b>	<b>69,711</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730

# Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

## 1 Corporate information

GVK Power & Infrastructure Limited ('the Company' or 'GVKPIL') provides operation and maintenance services, manpower and consultancy services and incidental services to owners of power plants, airports etc. The Company has also acquired substantial ownership interest into power companies, airports, roads and companies providing infrastructure facilities. The registered office of the company is located at Darshak Chambers, Plot No 32, H No 1-8-303/48/32, Street Number 1, Penderghast Road, Hyderabad - 03.

These financial statements have been approved by the Company's Board of Directors and authorized for issue on May 28, 2024.

## 2. Material accounting policies

### 2.1 Basis of preparation

#### i. Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act., 2013 (the Act), read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- certain financial assets and liabilities are measured at fair value
- defined benefit plans - plan assets are measured at fair value.

### 2.2 Summary of significant accounting policies

#### (a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### (b) Foreign currency translation

The financial statements are presented in Indian rupees lakhs, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in foreseeable future is considered as part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively.)

### (c) Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### (d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

#### Manpower and consultancy services:

Income from Manpower and Consultancy services is recognised as per the terms of the agreement on the basis of services rendered.

#### Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for



**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss

**Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

**Guarantee commission**

Revenue is recognised on a straight line basis taking into account the present value of the guarantee amount and the commission rate applicable.

**(e) Income tax****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not recognized if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Property, plant and equipment**

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	- 10 years
Office equipment	- 5 years
Vehicles	- 8 years
Data processing equipment	- 3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Company as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### Effective from April 1, 2019:

##### As a lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### (h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**(i) Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(j) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(k) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

**(l) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortised cost.
- b) Debt instruments at fair value through Other comprehensive income (FVTOCI).
- c) Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL).
- d) Equity instruments measured at fair value through other comprehensive income (FVOCI).

#### Debt instruments at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, other receivables and loans.

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
  - i. the Company has transferred substantially all the risks and rewards of the asset, or
  - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
- c) Loan commitments which are not measured as at FVTPL.
- d) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the Balance Sheet ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the company does not reduce impairment allowance from the gross carrying amount.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

This category is most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 15.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.



## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### (m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### (n) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (o) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### (p) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**3. Property, plant and equipment and Intangible Assets**

	Furniture and fittings	Office equipment	Vehicles	Data processing equipment	Total
<b>At Cost</b>					
<b>As at April 1, 2022</b>	1	12	138	16	167
Additions	-				-
Deletions	-	-	(72)	(1)	(73)
<b>As at March 31, 2023</b>	<b>1</b>	<b>12</b>	<b>66</b>	<b>15</b>	<b>94</b>
Additions	-	13	-	-	13
Deletions	-	(1)	(58)	-	(59)
<b>As at March 31, 2024</b>	<b>1</b>	<b>24</b>	<b>8</b>	<b>15</b>	<b>48</b>
<b>Accumulated depreciation</b>					
As at April 1, 2022	1	4	89	10	104
Charge for the year		2	7	2	11
Deletions	-	-	(66)	(1)	(67)
<b>As at March 31, 2023</b>	<b>1</b>	<b>6</b>	<b>30</b>	<b>11</b>	<b>48</b>
Charge for the year	-	3	6	2	11
Deletions	-	(1)	(33)	-	(34)
<b>As at March 31, 2024</b>	<b>1</b>	<b>8</b>	<b>3</b>	<b>13</b>	<b>25</b>
<b>Net Block</b>					
<b>As at March 31, 2023</b>	<b>-</b>	<b>6</b>	<b>36</b>	<b>4</b>	<b>46</b>
<b>As at March 31, 2024</b>	<b>-</b>	<b>16</b>	<b>5</b>	<b>2</b>	<b>23</b>

**4. Investments**

	As at March 31, 2024	As at March 31, 2023
<b>(i) Investments</b>		
<b>A. Unquoted, in fully paid equity shares (at cost)</b>		
<b>In subsidiaries</b>		
10,000 (March 31, 2023: 10,000) Equity shares of Rs.10 each fully paid-up in GVK Perambalur SEZ Private Limited	1	1
143,410,000 (March 31, 2023: 143,410,000) equity shares of Rs.10 each fully paid-up in GVK Developmental Projects Private Limited	11	11
190,000 (March 31, 2023: 190,000) equity shares of Rs.10 each fully paid-up in GVK Airport Services Private Limited	19	19
50,000 (March 31, 2023: 50,000) equity shares of Rs.10 each fully paid-up in Sutara Roads & Infra Limited	5	5
1,000,000 (March 31, 2023: 1,000,000) equity shares of Rs.10 each fully paid-up in GVK Shivpuri Devas Expressway Private Limited	1	1
10,000 (March 31, 2023: 10,000) equity shares of Rs.10 each fully paid-up in GVK Power ( Khadur Sahib) Private Limited	1	1
1288,310,657 (March 31, 2023: 675,116,101) equity shares of Rs.10 each fully paid-up in GVK Energy Limited	84,120	74,122
217,149,070 (March 31, 2023: 217,149,070) equity shares of Rs.10 each fully paid-up in GVK Transportation Private Limited	-	-
	<b>84,158</b>	<b>74,160</b>
907,350 (March 31, 2023: 907,350) equity shares of USD 1 each fully paid-up in GVK Airports International Pte. Ltd	669	669
Provision for impairment in value of Equity investment in GVK Airports International Pte. Ltd	(669)	(669)
<b>Sub Total</b>	<b>84,158</b>	<b>74,160</b>

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>In Associate</b>		
50,000 (March 31, 2023: 50,000) equity shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.	25	25
Share application money for purchase of non-cumulative redeemable preference shares of USD 1 each (at amortised cost) in GVK Coal Developers (Singapore) Pte. Ltd.	1	1
	<b>26</b>	<b>26</b>
Provision for impairment in value of Equity investment in GVK Coal Developers Singapore Pte Ltd	(26)	(26)
<b>Sub Total</b>	-	-
<b>A</b>	<b>84,158</b>	<b>74,160</b>
<b>B. Loan given to subsidiaries classified as equity (at cost)</b>		
GVK Perambalur SEZ Private Limited	10,920	10,913
<b>B</b>	<b>10,920</b>	<b>10,913</b>
<b>C. Deemed investment in subsidiaries/ Associate</b>		
GVK Jaipur Expressway Limited	-	2,284
<b>C</b>	-	<b>2,284</b>
<b>(A+B+C)</b>	<b>95,078</b>	<b>87,357</b>
<b>(ii) Other investments</b>		
<b>Unquoted, in fully paid non-cumulative redeemable preference shares (at amortised cost)</b>		
<b>D. In Associate</b>		
17,66,31,918 (March 31, 2023: 17,66,31,918) non-cumulative redeemable preference shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.*	77,510	77,510
Provision for diminution in value of non-cumulative redeemable preference investment in GVK Coal Developers (Singapore) Pte. Ltd	(77,510)	(77,510)
<b>D</b>	-	-
<b>E. In Others</b>		
48,000,000 (March 31, 2023: 48,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Limited	7,136	7,136
<b>Total (D+E)</b>	<b>7,136</b>	<b>7,136</b>
<b>Total (A+B+C+D+E)</b>	<b>102,214</b>	<b>94,493</b>
Aggregate amount of unquoted investments net of impairment	102,214	94,493
<b>F. Break up of impairment of non-current investments</b>		
Provision for impairment in value of Equity investment in GVK Airports International Pte. Ltd	2,284	-
<b>Total</b>	<b>2,284</b>	-

## 5. Non current tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance income-tax (net of provision for taxation)	444	1,196
<b>Total</b>	<b>444</b>	<b>1,196</b>

## 6. Other non-current assets

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good:</b>		
Balance with government authorities	14	14
<b>Total</b>	<b>14</b>	<b>14</b>

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**7. Current investments**

	As at March 31, 2024	As at March 31, 2023
<b>Quoted mutual funds at fair value through statement of profit and loss</b>		
4,451,641 (March 31, 2023: 46,697) Franklin India Money Market / Liquid Fund	2,097	1,579
67,131 (March 31, 2023: 763,426) Birla Sun Life Savings/ Low duration Fund	340	3,960
4,004,357 (March 31, 2023: 7,111,277) ICICI Prudential short term/ Ultra short Fund	2,360	1,799
3,749,230 (March 31, 2023: 6,842,434 ) Axis Short Term Fund	1,133	1,917
40,287 (March 31, 2023: Nil) Mirae Asset Ultra short Duration Fund	484	-
Nil (March 31, 2023: 12,725) Invesco India Ultra Short Term Fund	-	310
<b>UnQuoted Investment carried at amortised cost</b>		
Debentures #	137,464	137,464
<b>Total</b>	<b>143,878</b>	<b>147,029</b>
<b>Aggregate carrying and market value of quoted investments</b>	<b>6,414</b>	<b>9,565</b>

# Debentures are unlisted, unsecured, optionally convertible debentures ("OCDs") each having a face value of Rs 10 each and shall accrue a coupon at the rate of 0.01% per annum.

Number of Debentures issued by M/s Sutara Roads & Infra Limited and M/s Ybrant Engineering and Constructions Private Limited is 2,500 Lakhs and 11,246.4 Lakhs respectively.

**8. Trade receivables**

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good:</b>		
Receivables from related parties	343	976
Others	1	18
<b>Total</b>	<b>344</b>	<b>994</b>

Trade receivables are non-interest bearing.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

	Less than 6 months	6 months - 12 months	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2024</b>						
<b>Undisputed Trade Receivables</b>						
- Considered Good	338	-	-	-	6	344
<b>Total</b>	<b>338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>344</b>

	Less than 6 months	6 months - 12 months	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>						
<b>Undisputed Trade Receivables</b>						
- Considered Good	988	-	-	-	6	944
<b>Total</b>	<b>988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>944</b>

**9. Cash and cash equivalents**

	As at March 31, 2024	As at March 31, 2023
<b>Balance with banks:</b>		
- In current accounts	18	31
- Fixed Deposits	3,918	5,045
<b>Total</b>	<b>3,936</b>	<b>5,076</b>

There are no repatriation restrictions on the usage of Cash and Bank Balances

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### 10. Loans

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good:</b>		
Loans to related parties receivable on demand	2,050	749
Interest free loans to related parties receivable on demand	10,576	6,508
<b>Total</b>	<b>12,626</b>	<b>7,257</b>

### 11. Other financial assets

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good:</b>		
Other receivables	118	52
<b>Total</b>	<b>118</b>	<b>52</b>

### 12. Other current assets

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good:</b>		
Advances recoverable in cash or kind or value to be received	1	1
Security Deposit - Rent	4	4
Prepayments	13	12
Others (Including GST ITC)	344	380
<b>Total</b>	<b>362</b>	<b>397</b>

### 13. Equity share capital and other equity

#### (A) Equity share capital

	As at March 31, 2024	As at March 31, 2023
<b>Authorised Share Capital</b>		
2,500,000,000 (March 31, 2023: 2,500,000,000) equity shares of Rs. 1 each	25,000	25,000
<b>Issued, subscribed and fully paid-up share capital</b>		
1,579,210,400 (March 31, 2023: 1,579,210,400) equity shares of Rs. 1 each	15,792	15,792

#### a.Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	Year ended March 31, 2024		March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of Rs. 1 each fully paid up				
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,579,210,400</b>	<b>15,792</b>	<b>1,579,210,400</b>	<b>15,792</b>

#### b. Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Rs.1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

#### c. Details of shares held by promoters as on 31-03-2024 are as follows:

Promoter Name	No of Shares	% of total shares	% of change during the year
G V Krishna Reddy	68,109,487	4.31%	Nil
G V Sanjay Reddy	55,725,951	3.53%	Nil
Vertex Projects LLP	732,893,902	46.41%	Nil
<b>Total</b>	<b>856,729,340</b>	<b>54.25%</b>	<b>Nil</b>



**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**Details of shares held by promoters as on 31-03-2023 are as follows:**

Promoter Name	No of Shares	% of total shares	% of change during the year
G V Krishna Reddy	68,109,487	4.31%	+ 2.35%
G V Sanjay Reddy	55,725,951	3.53%	Nil
Vertex Projects LLP	732,893,902	46.41%	Nil
<b>Total</b>	<b>856,729,340</b>	<b>54.25%</b>	<b>Nil</b>

**d. Details of shareholders holding more than 5% equity shares in the Company**

Name of the shareholder	Year ended March 31, 2024		March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
Vertex Projects LLP (Formerly Vertex Infratech Private Limited)	732,893,902	46.41%	732,893,902	46.41%

- e) No class of bonus shares have been issued as bonus shares or for consideration other than cash by the company during the period of five years immediately preceding the current year end.
- f) No class of shares have been reserved for issue under options.
- g) No class of shares have been bought back by the company during the period of five years immediately preceding the current year end.

**(B) Reserves and surplus**

	As at March 31, 2024	As at March 31, 2023
Retained Earnings	(146,351)	(144,557)
Securities premium	215,935	215,935
General reserve	127	127
<b>Total reserves and surplus</b>	<b>69,711</b>	<b>71,505</b>

**(i) Retained Earning**

	As at March 31, 2024	As at March 31, 2023
Opening balance	(144,557)	(145,203)
Profit / (Loss) for the year	(1,794)	646
<b>Closing balance</b>	<b>(146,351)</b>	<b>(144,557)</b>

**(ii) Securities premium**

	As at March 31, 2024	As at March 31, 2023
Opening balance	215,935	215,935
Movement during the year	-	-
<b>Closing balance</b>	<b>215,935</b>	<b>215,935</b>

Note: Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**(iii) General reserve**

	As at March 31, 2024	As at March 31, 2023
Opening balance	127	127
Movement during the year	-	-
<b>Closing balance</b>	<b>127</b>	<b>127</b>

**14. Unearned financial guarantee liability**

	As at March 31, 2024	As at March 31, 2023
Unearned guarantee commission liability on financial guarantees given to related parties	2,695	2,695
<b>Total</b>	<b>2,695</b>	<b>2,695</b>

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### 15. Short-term borrowings

	As at March 31, 2024	As at March 31, 2023
Unsecured:		
Loans from related parties repayable on demand	36,430	36,561
<b>Total</b>	<b>36,430</b>	<b>36,561</b>

### 16. Trade payables

	As at March 31, 2024	As at March 31, 2023
- Outstanding dues to micro enterprises and small enterprises	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises (Dues to related parties is Nil (March'23: 7 Lakhs))	110	77
<b>Total</b>	<b>110</b>	<b>77</b>

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

#### Micro, small and medium enterprises

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as at the year end.

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2024</b>					
i) MSME	-	-	-	-	-
ii) Others	110	-	-	-	110
iii) Disputed dues - MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>
<b>As at March 31, 2023</b>					
i) MSME	-	-	-	-	-
ii) Others	77	-	-	-	77
iii) Disputed dues - MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77</b>

### 17. Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Others (Payable to related party)	26,674	27,304
Other payables	112,464	102,492
<b>Total</b>	<b>139,138</b>	<b>129,796</b>

### 18. Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	80	121
<b>Total</b>	<b>80</b>	<b>121</b>

### 19. Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences (Refer note 27)	3	7
<b>Total</b>	<b>3</b>	<b>7</b>

### 20. Revenue from operations

	As at March 31, 2024	As at March 31, 2023
Sale of services		
- Manpower and consultancy services	760	1,000
<b>Total</b>	<b>760</b>	<b>1,000</b>

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**21. Other income**

	Year ended March 31, 2024	Year ended March 31, 2023
Income from current investments	640	492
Interest Income	359	219
Commission on financial guarantees	-	2
Interest on income tax refund	126	-
Reversal of Expenses Incurred in Previous years	34	1
Profit on Sale of Asset	1	7
Miscellaneous income	48	65
<b>Total</b>	<b>1,208</b>	<b>786</b>

**22. Employee benefit expense**

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	182	91
Contribution to provident and other funds (Refer note 27)	2	4
Staff welfare expenses	7	6
<b>Total</b>	<b>191</b>	<b>101</b>

**23. Other expenses**

	Year ended March 31, 2024	Year ended March 31, 2023
Rent	7	4
Communication costs	6	7
Travelling and conveyance	34	39
Operating and maintenance expenses	86	60
Repairs and maintenance	33	66
Legal and professional charges	603	608
Rates and taxes	41	46
Printing and stationery	3	3
Insurance	50	62
Remuneration to statutory auditors (refer note below)	59	63
Directors' sitting fees	8	8
Advances written off	-	-
Miscellaneous expenses	3	5
Interest on Statutory Dues	-	2
<b>Total</b>	<b>933</b>	<b>973</b>

**Payment to auditor**

	Year ended March 31, 2024	Year ended March 31, 2023
As auditor:		
Audit fee	21	21
Limited review	36	36
Certification fee	2	6
<b>Total</b>	<b>59</b>	<b>63</b>

**24. Taxes****a. Income tax expense**

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	310	55
Taxes of earlier years	33	-
<b>Total</b>	<b>343</b>	<b>55</b>

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) before taxes	(1,451)	701
Existing tax rates in India	25.168%	25.168%
Expected tax expenses (a)	(365)	176
<b>Add: Effect of non-deductible expenses:</b>		
Advances and investments written off	2,284	-
<b>Less: Effect of non-taxable incomes:</b>		
Interest income	(485)	(219)
Profit on sale of mutual funds taxable at other rates	(640)	(492)
Utilisation of brought forward losses	293	12
<b>Effect of non-deductible expenses (net)</b>	<b>1,452</b>	<b>(699)</b>
Tax effect on the above (b)	365	(176)
Tax on sale of mutual funds (c)	343	55
<b>Net current tax expense recognised in Statement of Profit and Loss (a) + (b) + (c)</b>	<b>343</b>	<b>55</b>

### c. Tax losses

	Year ended March 31, 2024	Year ended March 31, 2023
Unused tax losses for which no deferred tax asset has been recognised	21,313	21,020
Potential tax benefit	5,364	5,300

## 25. Earning per equity share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. There are no potentially dilutive equity shares in the Company.

The following reflects the income / loss and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) after tax	(1,794)	646
Weighted average number of Equity Shares considered for calculation of basic and diluted earnings per share	1,579,210,400	1,579,210,400
Nominal value per equity share	1.00	1.00
Earnings/ (loss) per share		
- Basic and diluted	(0.11)	0.04

## 26. Commitments and Contingencies

### A. Leases

#### Operating lease commitments - Company as lessee

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at the option of either of the parties. The Company has not entered into any non-cancellable leases. There is 10% escalation clause in the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements.

The Company has not recognised any contingent rent as expense in the Statement of Profit and Loss. The aggregate amount of operating lease payments recognised in the Statement of Profit and Loss is Rs. 7 lakhs (March 31, 2023: Rs. 4 lakhs).

### B. Capital and other commitments

#### i) Capital Commitments

The Company has no outstanding capital commitments as at year end. (March 31, 2023: Nil)

#### ii) Other Commitments

a) The company has given undertaking to infuse equity aggregating to Rs. 481,526 lakhs (March 31, 2023: Rs. 474,843 lakhs) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations [Also refer note C(ii) below]. Further, the Company has pledged 155,587,500 (March 31, 2023: 155,587,500), 130,287,382 (March 31, 2023: 130,287,382) and 48,000,000 (March 31, 2023: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an associate entity in which Company has 10% stake.

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**C. Contingent liabilities**

	Year ended March 31, 2024	Year ended March 31, 2023
Direct and indirect taxes		
Claims not acknowledged as debts by the company		
Service tax	1,396	1,396

**Security against loan taken by group companies**

- (i) The Company has provided security by way of corporate guarantees amounting to Rs. 462,642 lakhs to the lenders of GVK Coal Developers (Singapore) Pte Ltd, an associate (March 31, 2023: Rs. 456,222 lakhs) for various fund and nonfund based facility availed by them. Also refer note (ii) below
- (ii). Refer note 49 to 53.

**27. Employee benefits****A) Defined contribution plan**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	2	4

**B) Disclosures related to defined benefit plan**

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employees who have completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

**i) Net employee benefit expense (included under employee benefit expenses)**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current Service Cost	-	-
Interest expense	(2)	(2)
Net employee benefit expenses	-	-

**ii) Amount recognised in the Balance Sheet**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Defined benefit obligation	22	15
Fair value of plan assets	53	50
Net Plan Liability/(Asset)*	-	-

\*Plan assets has been recognised only to the extent of obligation. Accordingly, expenses not considered for the year.

**iii) Changes in the present value of the defined benefit obligation for Gratuity are as follows**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening defined benefit obligation	15	16
Current service cost	-	-
Interest cost	-	-
Benefits paid	-	-
Net Actuarial (gains)/losses on obligation for the year recognised under OCI	7	(1)
Closing defined benefit obligation	22	15

**iv) Changes in fair value of plan assets**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening fair value of plan assets	50	47
Expected return	3	3
Closing fair value of plan assets	53	50



## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Scheme of Insurance- Conventional products	100%	100%

### v) Amount recognised in statement of other comprehensive income (OCI):

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening amount recognised in OCI	(1)	(1)
Remeasurement for the year - Obligation gain/(loss)	-	-
Remeasurement for the year - plan assets gain/(loss)	-	-
Closing amount recognised in OCI	(1)	(1)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.00%	7.10%
Expected rate of return on assets	7.00%	7.10%
Salary rise	6.00%	6.00%
Attrition Rate	10.00%	10.00%

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. The expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Expected benefit payments for the year ending:

	Year ended March 31, 2024	Year ended March 31, 2023
Within next 12 months	0	2
Between 2 and 5 years	1	19
Beyond 5 years	1	3

### Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as at year end is as shown below:

Assumptions	Year ended March 31, 2024	Year ended March 31, 2023
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(0)	(0)
- 1% decrease	0	0
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	0	0
- 1% decrease	(0)	(0)
(c) Effect of 1% change in assumed employee attrition rate		
- 1% increase	0	0
- 1% decrease	(0)	(0)

- 28.** In respect of the amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at the year end.

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**29. Related Parties**

<b>(a) Related parties where control exists</b>	
GVK Airport Services Private Limited	Subsidiary
PT.GVK Services, Indonesia	Subsidiary
GVK Transportation Private Limited	Subsidiary
GVK Jaipur Expressway Private Limited	Subsidiary
Sutara Roads & Infra Limited	Subsidiary
GVK Deoli Kota Expressway Private Limited	Subsidiary
GVK Shivpuri Dewas Expressway Private Limited	Subsidiary
GVK Bagodara Vasad Expressway Private Limited	Subsidiary
GVK Developmental Projects Private Limited	Subsidiary
GVK Ratle Hydro Electrical Projects Private Limited	Subsidiary
GVK Perambalur SEZ Private Limited	Subsidiary
GVK Power (Khadur Sahib) Private Limited	Subsidiary
GVK Energy Limited	Subsidiary
Alaknanda Hydro Power Company Limited	Subsidiary
GVK Coal (Tokisud) Company Private Limited	Subsidiary
GVK Industries Limited	Subsidiary (From 03-Feb-22 to 31-Mar-2022)
GVK Power (Goindwal Sahib) Limited	Subsidiary (From 03-Feb-22 to 10-Oct-2022)
GVK Airports International Pte Ltd	Subsidiary (Till 04-Sep-2023)
<b>(b) Related parties where joint control exists</b>	
GVK Gautami Power Limited	Jointly Control Entity (JCE) of Subsidiary (Till 20-Oct-2023)
<b>(c) Associates</b>	
GVK Coal Developers (Singapore) Pte Ltd	Associate
Seregraha Mines Limited	Associate of Subsidiary (Till 10-Oct-2022)
<b>(d) Key management personnel</b>	
Dr. GVK Reddy	Chairman
Mr. G V Sanjay Reddy	Director
Mr. P V Prasanna Reddy	Director
Mr. Anumolu Rajasekhar	Director
Mr. Anil Kumar Reddy	Director
Ms. Rama Rao	Director
Mr. Ilyas Ghulam Hussain Ghouse	Director (From 01-Jan-2022)
Mr. Bala subramanian.S	Director (Till 11-Nov-2022)
Mr. Krishna R Bhupal	Director (Till 31-Dec-2022)
Mr. A Issac George	CFO& Director (Till 31-Aug-2023 )
Mr. Sanjeev Kumar Singh	CFO (From 26-Sep-2023)
Mr. Ravi Prakesh	Company Secretary (From 01-Sep-2023)
Mr. P V Rama Seshu	Company Secretary (Till 31-Aug-2023)
<b>(e) Enterprises over which the key management personnel exercise significant influence and with whom there are transactions during the year</b>	
TAJ GVK Hotels & Resorts Limited	
GVK Technical & Consultancy Services Private Limited	
Indira Constructions	
Paigah House Hotels LLP	
Crescent EPC Projects and Technical Services Limited	

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### 30. Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to SEBI Listing Regulations, 2015

Details of loan given to subsidiaries, associates, parties in which directors are interested:

Subsidiaries	Year ended March 31, 2024	Year ended March 31, 2023
<b>i) GVK Perambalur SEZ Private Limited</b>		
Balance as at the year end	10,920	10,913
Maximum amount outstanding during the year	10,920	10,913
The aforesaid loan is repayable at the option of the subsidiary.		
<b>ii) GVK Transportation Private Limited</b>		
Balance as at the year end	11	11
Maximum amount outstanding during the year	11	11
The aforesaid loan is repayable on demand		
<b>iii) GVK Jaipur Expressway Limited</b>		
Balance as at the year end	-	-
Maximum amount outstanding during the year	-	500
The aforesaid loan is repayable on demand		
<b>iv) GVK Energy Limited</b>		
Balance as at the year end	10,565	6,497
Maximum amount outstanding during the year	10,565	11,297
The aforesaid loan is repayable on demand		
<b>v) Crescent EPC Projects and Technical Services Limited</b>		
Balance as at the year end	2,050	749
Maximum amount outstanding during the year	2,050	749
The aforesaid loan is repayable by end of one year along with interest rate		

#### A. Details of related party transactions during the year:

	March 31, 2024	March 31, 2023
<b>Fees for services rendered (Includes Corporate guarantee commission income)</b>		
GVK Energy Limited	250	2
GVK Jaipur Expressway Private Limited	500	1,000
GVK Developmental Projects Private Limited	7	-
<b>Reimbursement of expenses (Billable expenses)</b>		
GVK Energy Limited	8	5
Alaknanda Hydro Power Company Limited	21	12
GVK Power (Goindwal Sahib) Limited *	1	23
GVK Jaipur Expressway Private Limited	4	14
GVK Technical & Consultancy Services Private Limited	12	9
Crescent EPC Projects and Technical Services Limited	2	2
<b>Sale of vehicles</b>		
Alaknanda Hydro Power Company Limited	25	-
<b>Services received</b>		
TAJ GVK Hotels & Resorts Limited	1	2
Green wood Palaces & Resorts Pvt Ltd	-	2
Alaknanda Hydro Power Company Limited	36	-
<b>Rent</b>		
Paigah House Hotels LLP	-	2

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	March 31, 2024	March 31, 2023
<b>Interest income on financial assets</b>		
GVK Jaipur Expressway Private Limited	-	5
Crescent EPC Projects and Technical Services Limited	119	7
<b>Director sitting fees</b>		
Dr. GV Krishna Reddy	1	1
Mr. GV Sanjay Reddy	1	1
Mr. N Anil Kumar Reddy	2	2
Ms. Rama Rao	2	1
Mr. A. Rajashekar	2	2
Mr. Ilyas Ghulam Hussain Ghouse (With effect from January 01, 2022)	1	1
Mr. Krishna R Bhupal (Till December 31, 2022)	-	0
Mr. S Balasubramanian (Till November 11, 2022)	-	1
<b>Remuneration</b>		
Mr. Sanjeev Kumar Singh, CFO (From 26-Sep-2023)	87	-
<b>Impairment of Deemed investment</b>		
GVK Jaipur Expressway Private Limited	2,284	-
<b>Investments in Equity</b>		
GVK Energy Limited (Purchased from GVK Developmental Projects Private Limited)	400	-
GVK Energy Limited	9,598	-
<b>Loans/advances given/expenditure incurred on behalf</b>		
GVK Energy Limited	4,275	-
GVK Transportation Private Limited		-
GVK Perambalur SEZ Private Limited	7	684
Crescent EPC Projects and Technical Services Limited	1,301	749
<b>Loans/advances recovered</b>		
GVK Energy Limited	213	4,800
GVK Jaipur Expressway Private Limited	-	500
GVK Transportation Private Limited		-
<b>Loan repaid</b>		
GVK Developmental Projects Private Limited	144	278
Sutara Roads & Infra Limited	630	35,769
<b>Guarantees released</b>		
GVK Energy Limited	-	3,100
GVK Jaipur Expressway Private Limited	-	9,878

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	March 31, 2024	March 31, 2023
<b>B Year end balances Receivables/ (Payables)</b>		
GVK Energy Limited	10,841	6,502
Alaknanda Hydro Power Company Limited	2	8
GVK Power (Goindwal Sahib) Limited *	-	18
GVK Transportation Private Limited	11	11
GVK Jaipur Expressway Private Limited	49	955
Sutara Roads & Infra Limited	(38,101)	(38,731)
GVK Bagodara Vasad Expressway Private Limited	5	5
GVK Deoli Kota Expressway Private Limited	2	2
GVK Perambalur SEZ Private Limited	10,920	10,913
GVK Developmental Projects Private Limited	(2)	(134)
GVK Technical & Consultancy Services Private Limited	6	(7)
Crescent EPC Projects and Technical Services Limited	2,150	757
Indira Constructions	-	-
* NCLT order dated 10-Oct-2022, Corporate Insolvency Resolution Process is under process		
<b>Corporate Guarantee (Outstanding loan balance)</b>		
GVK Coal Developers (Singapore) Pte Limited (Refer note 49)	462,642	456,222
<b>Pledge of investment (number of shares)</b>		
GVK Coal Developers (Singapore) Pte Limited	333,874,882	333,874,882

### Note:

- Refer note 26
- The loans/ advances and guarantees have been provided to meet normal business needs of the respective entity.

### 31. Details of trade receivables due from subsidiary companies in which Company's director is a director.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
GVK Jaipur Expressway Private Limited	49	955
GVK Energy Limited	277	-

### 32. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, borrowings including interest accrued on borrowings, less cash and short-term deposits.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Borrowings including interest accrued on borrowings (refer note 15)	36,430	36,561
Less: Cash and short-term deposits (refer note 9)	(3,936)	(5,076)
Less: Investments in mutual funds and Bank deposits (refer note 7)	(6,414)	(9,565)
<b>Net debt</b>	<b>26,080</b>	<b>21,920</b>
Equity share capital	15,792	15,792
Other Equity	69,711	71,505
<b>Total Equity</b>	<b>85,503</b>	<b>87,297</b>
<b>Gearing ratio (Net Debt/ Total Equity)</b>	<b>0.31</b>	<b>0.25</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024.



**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**33. Fair values**

The management assessed that the fair value of loans given, trade receivables, cash and cash equivalents, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**a) Financial instruments by category**

	Level	March 31, 2024		March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
<b>Measured at amortised cost</b>					
<b>Current:</b>					
Trade receivables	3	344	344	994	994
Loans	3	12,626	12,626	7,257	7,257
Investments	3	137,464	137,464	137,464	137,464
Other financial assets	3	118	118	52	52
Cash and cash equivalents	1	3,936	3,936	5,076	5,076
<b>Mandatorily measured at fair value through profit or loss</b>					
Investments	1	6,414	6,414	9,565	9,565
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
<b>Current</b>					
Borrowings	3	36,430	36,430	36,561	36,561
Trade payables	3	110	110	77	77
Other financial liabilities	3	139,138	139,138	129,796	129,796

**Level 1:** Level 1 hierarchy includes financial instruments measuring using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification asset included in level 3.

**b) Valuation technique used to determine fair value**

Specific valuation technique used to value financial instruments include:

- The fair value of investment in mutual funds is measured at quoted price or NAV.
- The fair values for non-current investments, other non-current financial assets and borrowings are based on discounted cash flows using a borrowing rate at the date of transition. They are classified as level 3 fair values in their fair value hierarchy due to the use of unobservable inputs, including own credit risk.

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### 34. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

##### i. Determination of control and accounting thereof

As detailed in the accounting policy, principles under Ind AS are different from the previous GAAP, especially with respect to assessment of control of subsidiaries. Further, investment in GVK Coal Developers (Singapore) Pte. Ltd has been accounted as associate since the company participates in all significant financial and operating decisions. The company has therefore determined that it has significant influence over this entity, even though it only holds 10% of the voting rights.

##### ii. Impairment of non-current assets including investments in subsidiaries, joint ventures and associates

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units. The value in use calculation is based on Discounted Cash Flow ('DCF') model over the estimated useful life of the power plants, concession on roads etc. Further, the cash flow projections are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc in case of investments in entities in the energy business, estimation of passenger traffic and rates and outcomes of litigations, and settlements may be reached with lenders which are considered as reasonable by the management and significant uncertainties faced including absence of financial closure in respect of GVK Coal Developers (Singapore) Pte Ltd.

Based on such determination the Company has impaired carrying value of its deemed investment in GVK Jaipur Expressway Private Limited Rs 2,284 Lakhs (March 31, 2023: Nil).

##### iii. Also refer note 54 on significant judgement on going concern ability of the Company.

#### B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has prepared financial statements based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### (i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

##### (ii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 27.

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**(iii) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(iv) Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, and the useful lives are in line with the useful lives prescribed under Schedule II of the Companies Act, 2013.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

**35 Financial risk management objectives and policies****Financial Risk Management Framework**

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**A Price risk**

The company's exposure to investment in mutual funds are subject to price and classified in the balance sheet as fair value through profit or loss.

**Sensitivity**

The table below summaries the impact of increase/decrease of the index on the company's investment in mutual fund and profit/(loss) for the year.

Particulars	Impact on Profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Increase by 1%	64	96	-	-
Decrease by 1%	(64)	(96)	-	-

**B Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and other financial assets. Trade receivables, Financial guarantee receivables (Other financial assets) and Loans given by the Company result in material concentration of credit risk as these are with related parties.

**Exposure to credit risk:**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 12,626 lakhs (March 31, 2023: Rs. 8,303 lakhs), being the total of the carrying amount of balances with trade receivables, Loans and Other financial assets.

**Trade receivables, Other financial assets, Loans given:**

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security. Impairment analysis takes into account historical credit loss experience and adjusted for forward-looking information. Significant portion of trade receivables, other financial assets and loans given comprise receivables from related parties and not subject to significant credit risk based on past history.

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### C. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Within 12 months	After 12 months	Total
<b>Year ended March 31, 2024</b>				
Borrowings	36,430	-	-	36,430
Other financial liabilities	-	139,138	-	139,138
Trade payables	-	110	-	110
<b>Total</b>	<b>36,430</b>	<b>139,248</b>	<b>-</b>	<b>175,678</b>
<b>Year ended March 31, 2023</b>				
Borrowings	36,561	-	-	36,561
Other financial liabilities	-	129,796	-	129,796
Trade payables	-	77	-	77
<b>Total</b>	<b>36,561</b>	<b>129,873</b>	<b>-</b>	<b>166,434</b>

### D. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, investments, other financial assets and other financial liabilities.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. As the Company has debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates.

As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings. With all other variables held constant, the Company's profit/(loss) before tax is affected through impact on floating rate borrowings, as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Change in Interest Rate		
-increase by 50 basis points	-	-
-decrease by 50 basis points	-	-

#### Foreign Currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's investment in foreign entity and financial asset/liability in relation to foreign entity in respect of financial guarantee. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Company has not entered into derivative instruments during the year.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is Nil.

**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Rs. in Lakhs		
Change in USD rate	Year ended March 31, 2024	Year ended March 31, 2023
5%	-	-
-5%	-	-

**36. Segment reporting**

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

**37. Ratios**

S No.	Ratio	Formula	Particulars		31 March 2024		31 March 2023		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	31 March 2024	31 March 2023		
1	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Contract Liabilities+ Provisions + Other Current Liability	161,264	175,761	160,805	166,562	0.92	0.97	(0.05)	-
2	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes - Preference Dividend	Shareholder's Equity	(1,794)	85,503	646	87,297	-2.10%	0.74%	(3.84)	Impairment of Deemed investment in GVK Jaipur Expressway Private Limited
3	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	760	669	1,000	1,097	1.14	0.91	0.25	Decrease in average trade receivables
4	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets - Current liabilities	760	(10,127)	1,000	(5,709)	-0.08	-0.18	(0.57)	Increase in average working capital
5	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	(1,794)	760	646	1,000	-236.05%	64.60%	(4.65)	Impairment of Deemed investment in GVK Jaipur Expressway Private Limited
6	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	(1,451)	88,198	701	89,992	-1.65%	0.78%	(3.11)	
7	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	(1,794)	85,503	646	87,297	-2.10%	0.74%	(3.84)	

**38. Details of Benami Property held**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.



## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

### 39. Details relating wilful defaulter

The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

40. The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

### 41. Corporate Social Responsibility Expenditure

The company is not required to spend on Corporate Social Responsibility (CSR) in view of the continuing losses during the last three years.

### 42. Relationship with Struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

43. The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 44. Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

### 45. Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 46. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### 47. Social Security Code, 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

48. The following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Type of Borrower	Loans/Advances granted Individually or Jointly with other. (Individually / Jointly)	Repayable on demand (Yes / No)	Terms/ Period of repayment is specified (Yes / No)	31-Mar-24		31-Mar-23	
				Amount outstanding as at the balance sheet date	% of Total	Amount outstanding as at the balance sheet date	% of Total
Related Parties	Individually	Yes	No	12,626	100%	7,257	100%
Total of Loan and Advances in the nature of Loan (Refer Note 10)	-	-	-	12,626		7,257	-

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

**49.** The Company has an investment in GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) which is assessed as an associate to the parent Company. The parent Company exercises significant influence on GVK Coal as per Ind AS 28.

The Company has also given guarantees and commitments for loans amounting to USD 1132.45 Million (Rs. 944,168 lakhs as at March 31, 2024; Rs. 931,065 lakhs as at March 31, 2023) (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the finance documents or USD 692.61 Million) taken by GVK Coal part of which is collateralized by pledge of 155,587,500 (March 31, 2023: 155,587,500), 130,287,382 (March 31, 2023: 130,287,382) and 48,000,000 (March 31, 2023: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11 million (Rs. 2,593 lakhs) as at March 31, 2024 (Rs. 2,557 lakhs as at March 31, 2023), with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc.. The entity's current liabilities exceeded current assets by USD 2,624 million (Rs. 2,187,713 lakhs) as of March 31, 2024 (March 31, 2023: USD 2,845 million (Rs. 2,339,320 lakhs)) and accumulated losses as of March, 2024 is USD 1,386 million (Rs. 11,55,562 Lakh) based on audited special purpose consolidated financial statements of GVK Coal.

The GVK Coal lenders had also filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020, and have sought to recover the amounts advanced to GVK Coal. During the current financial year 2023-24, the England court vide its order dated October 19, 2023, has crystalized the amount payable by the defendants (GVKPIL and other guarantors/ stakeholders in GVK Coal) at USD 2.19 billion including the amount towards interest.

As per legal opinion obtained by the company, the order dated 19th October 2023 passed by the England court is not speaking order. It has also been opined that the Order dated 19th October 2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

Management has made several attempts were made by the company to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement. The GVK Coal having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal dues.

Further, one of the lenders has filed an application under Section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed its reply. As per the NCLT website, initially final hearing was mentioned as 24.04.2024 but the authority has partly heard the details and next hearing is scheduled on 31.05.2024. As per the GVKPIL management, petition filed by the ICICI Bank against GVKPIL is barred by Section 10A of the Code as the invocation of the Guarantee was admittedly done vide invocation of guarantee dated 02.11.2020 and as such the invocation of the guarantee on GVKPIL falls squarely within the period prescribed by Section 10A of the code. As per 10A, no application for initiation of corporate insolvency resolution process can be filed in respect of a default that has occurred on or after 25th March, 2020 till 25th March, 2021. However, as per ICICI Bank petition, the account (GVK Coal Developers) has become NPA with all the lenders around FY 2016-17. The ultimate outcome of the same and the resultant impact of the same on the financial statements is not ascertainable and cannot be commented upon.

The company is hopeful of achieving one time settlement with the lenders in view of its arrangement with Adani Airport Holdings Limited (AAHL) which is adequately incentivized to find solution with the lenders to get unencumbered ownership over the shares of GVK Airport Developers Limited pledged with the lenders. The extent of the liability that may arise in respect of guarantees and commitments and the manner of such settlement is presently not ascertainable and accordingly no provision has been made in this regard in relation to any liability.

The company has provided for impairment of Rs 78,634 Lakhs for full value of its investment and receivable in earlier years in the absence of any certainty of realization either by use or from the settlement that may be reached.

**50.** GVKPIL has wholly own subsidiary company viz. GVK Energy Limited ('GVKEL'), certain subsidiaries and jointly controlled entity (group companies) of GVKEL are facing uncertainties as detailed below

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Certain subsidiaries and jointly controlled entity (group companies) of GVK Energy Limited ('GVKEL') are facing uncertainties as detailed below:

- a) The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary company of GVKEL and mine operator was offered compensation by the Nominated Authority of Rs. 11,129 Lakhs as against carrying value of assets of Rs. 31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Including the above amount of Rs 4,984 lakhs, a total of Rs 23,761 lakhs, being the due on vesting date has been paid to lenders. The nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed regarding R&R costs. The GVKCTPL has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 20, 2024.

Based on the internal assessment, management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mine. Additionally, the fund lying-in interest-bearing account with Registrar General of the Court will be sufficient to discharge all liabilities and accordingly no provision is required towards corporate guarantee given by GVKEL for loan taken by GVKCTPL and carrying value (Balance of claims) of Rs 6,015 Lakhs.

- b) GVK Power (Goindwal Sahib) Limited ("GVKPGSL") a subsidiary company of GVKEL, has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKPGSL.

Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKPGSL.

Since the Group has lost the control over the GVKPGSL, the assets and liabilities of GVKPGSL were deconsolidated as at October 10, 2022 as per Ind AS 110 and a gain of Rs.343,685 Lakh is recorded in consolidated financials for the year ended March 31, 2023 as per below entry:

Particulars	Rs in Lakhs
Value of assets	- 345,970
Value of liabilities	698,027
Equity Share Capital	126,520
Amount already recognised in consolidated FS in previous period	-134,892
<b>Net amount recognised as exceptional gain</b>	<b>-343,685</b>

During the current financial year 2023-24, the Resolution plan submitted by resolution applicant has been approved by the Hon'ble NCLT Hyderabad vide its order dated December 22, 2023. As per the said order, the secured lenders have received Rs.1,078 crores against their claims of Rs.6,585 Crores. i.e. with a deficit of Rs.5,507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. The lenders through security trustee (IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1,494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing is fixed on July 10, 2024.

As per management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per GVKPIL management, the liability of the Corporate Guarantor also extinguishes.

Based on internal assessment of the management there is an uncertainty on the outcome of the liability that may arise in respect of guarantee given by GVKEL. therefore no provision has been made against the likely impact of the claim against such guarantee.

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

- c) GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEK, has been admitted into Corporate Insolvency Resolution Process (CIRP) during the current financial year 2023-24, i.e on October 20, 2023 based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GVKEK has already provided for an impairment in the full value of investment in GVKGPL of Rs 51,897 Lakh.

The GVKEK has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not been invoked by the Lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GVKEK. This Corporate Guarantee may be invoked by the lenders of GVKGPL considering the default therein. In such an eventuality, GVKEK may need to reimburse the same, especially considering that the net assets of GVKGPL is negative. The extent of the liability that may arise in respect of guarantee given is presently not determinable at present and no provision has been made in this regard in relation to such liability.

- d) During the earlier years, GVK Energy Ltd. (GVKEK) and Alaknanda Hydro Power Company Limited (AHPCL) have issued debentures vide respective Trust Deed and taken loans from ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecapi Equities Limited (collectively referred to as "Edelweiss"). These Debentures and Loans are also secured by pledge of shares of GVK Power (Goindwal Sahib) Limited, GVK Coal Tokisud Company Private Limited and AHPCL held by GVKEK and shares of GVKEK held by GVKPIL as investment in respective companies. The loans were further secured by Corporate Guarantee given jointly by GVKEK and GVKPIL.

Since the repayment of loan and interest was defaulted, GVKEK and AHPCL have entered into settlement agreement with Edelweiss on October 31, 2020 which resulted in settlement of principal and interest outstanding of Rs.68,730 Lakhs (GVKEK Rs.12,139 Lakhs and AHPCL Rs.56,591 Lakhs) at Rs.52,500 Lakhs (GVKEK Rs.3,800 Lakhs and AHPCL Rs.48,700 Lakhs) along with interest rate of 12.50% pa compound monthly w.e.f. September 16, 2020 till July 31, 2021, which was further extended up to March 31, 2022. AHPCL and GVKEK has made total payments of Rs.33,059 Lakhs resulting in balance payable of Rs. 27,115 Lakhs including interest till May 16, 2022 (GVK EL Rs.3,506 Lakhs and AHPCL Rs.23,609 Lakhs). AHPCL and GVKEK has requested for further time till August 31, 2022 from Edelweiss for making balance payment and were in discussions with them.

However, Edelweiss has withdrawn the settlement agreement vide its mail dated April 11, 2022. Edelweiss has also written letter dated July 08, 2022 invoking the Corporate Guarantee issued by GVKEK and GVKPIL.

Further, since GVKEK and AHPCL could not make the payment as per settlement terms, ECL Finance Limited (Edelweiss) has invoked the pledge of equity shares and transferred 46,60,11,000 Equity shares, each having face value of Rs 10, of AHPCL held by GVK Energy Limited on May 16, 2022. ECL Finance Limited will continue to hold these shares as security on behalf of Edelweiss for the loans taken/NCD issued by AHPCL & GVKEK. ECL Finance Limited reserved the right to sell the same as per the terms of the pledge agreement read with security sharing agreements.

GVKEK filed a suit before Delhi High Court on May 30, 2022, wherein GVKEK pleaded that because of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. The Hon'ble High Court Delhi has given interim order dated May 31, 2022 wherein it is stated that while selling the shares of AHPCL by Lenders, the best offer received by them would be communicated to the GVKEK and GVKPIL as well as to the Court, and an opportunity would be given to them to match the said offer within five days. In the meanwhile, if GVKEK and GVKPIL get an offer for the aforesaid shares, they shall also inform the defendants as well as the Court. In the event GVKEK and GVKPIL are unable to match the offer of the lenders, the lenders would be free to sell the said shares at the best offer received by them. Till the time, the shares which are invoked are sold in the aforesaid manner, the lenders shall not sell any other shares that have been pledged by the GVKEK and GVKPIL with the lenders. However, the lenders shall be free to invoke the pledged shares. Next hearing of the case is scheduled on July 09, 2024.

GVKEK has transferred the liability of AHPCL in its books of account relating to Edelweiss and based on legal opinion, GVKEK has shown the discharge of the loan liability of Edelweiss against the invoked shares till a settlement is arrived at with Edelweiss. GVKEK has not accounted for the impact of the annulment of settlement since they are confident of achieving settlement with Edelweiss. However, on conservative basis, a loss on invocation and transfer of shares, amounting to Rs.19,486 Lakhs during year ended March 31, 2023 (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEK and AHPCL as per settlement terms) has been accounted in the books of accounts and reported as an exceptional item in the standalone financials of GVKEK and consolidated financials of GVKPIL.

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Due to above mentioned default in the repayment of amount due on Loan / NCDs, Edelweiss (through its debentures trustee namely Catalyst Trusteeship Limited) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKPIL (being the Guarantor of the Loan / NCDs) and GVKEL on October 21, 2022 and the next hearing of the case is scheduled on July 12, 2024.

Meanwhile, AHPCL, GVKEL and GVKPIL has entered into a settlement agreement with the lenders on October 09, 2023, which requires to pay Rs 33,000 Lakhs up to October 31, 2023 and simple interest @12.50% pa is payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023 and due date further extended till Jun 30, 2024 with phased payments. On 27th February'24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 20,000 Lakhs out of Rs 33,000 lakhs and Rs.13,000 Lakhs to be brought in by GVKPIL group and till date GVKPIL group has paid an amount of Rs 9,150 lakhs as agreed.

As per the terms of the settlement, lenders will release the securities including the transfer of 46,60,11,000 Equity shares, each having face value of Rs.10, of AHPCL to GVKEL on payment of amount due as per the settlement agreement.

- e) The company has assessed and based on the valuation carried out and other relevant factors, no provision is considered necessary in the books of accounts towards the carrying value of investment in GVKEL of Rs 84,120 Lakhs (March 31, 2023 Rs.74,122 Lakhs) and Loan of Rs.10,565 Lakhs (March 31, 2023 Rs. 6,497 Lakhs).

- 51.** The company has made an investment in GVK Transportation Private Limited (GVKTPL) considering that GVKTPL does not have a certainty over the cash flows and timing of such cash flows in the underlying projects of GVKTPL, the Company has carried out an impairment assessment of its carrying value of investment in the earlier years.

GVKTPL has further made investments into three subsidiaries out of which two subsidiaries are facing uncertainties, detailed as follow:

**a. GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL)**

A wholly owned step down subsidiary of GVKPIL has carried out project work towards the Concessionaire Agreement entered with Gujarat State Road Development Corporation Limited (GSRDC). During construction, there has been significant delays in fulfilling the obligations from GSRDC like providing Land required for construction, right of way, shifting of utilities etc., which has resulted in significant delays in construction. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to the same, GVK BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement process will be as per the Concession Agreement.

GVK BVEPL has approached The International Centre for Alternative Dispute Resolution (ICADR) for appointment of Arbitration Tribunal (AT). Arbitration Tribunal is constituted, and the dispute is being addressed. GSRDC has filed a claim of Rs 108,419 lakhs and GVK BVEPL has filed its statement of Defense and a counter claim of Rs.91,325 lakhs as termination payment due to GSRDC default (apart from various other claims towards Loss of Profit, Interest Payment on Debts etc.) disputing the very process of termination and are also taking other necessary legal remedies in this regard. Initially GVK BVEPL intended to bring into substitution process, however despite best efforts of GVK BVEPL, substitution process could not be completed. Meanwhile GSRDC awarded project to two different contractors. Hence GVK BVEPL is no more going concern, and the financials are prepared accordingly since financial year ended March 31, 2020.

GVK BVEPL is closely working with the lenders by explaining to them the intricacies of the project and outlining support required to give effect to the process of arbitration. Tribunal having heard arguments of both sides has given a split verdict, Justice Thakkar and Justice Panchal have rendered a combined award of Rs 41,296 Lakhs in favor of GSRDC and Justice Deepak Varma had passed a dissenting award of Rs.27,438 Lakhs in favor of the Company. Till date GVK BVEPL not yet received the signed copy of the order. Considering this split award and based on the facts, the company has filed an appeal before Commercial Court, Ahmedabad on November 20, 2023 and the matter is coming up for hearing on 20.06.2024.

**b. GVK Deolikota Expressway Private Limited (GVK DKEPL)**

A wholly owned step-down subsidiary of GVKPIL. On June 25, 2019, GVK DKEPL has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway. Further, GVK DKEPL has claimed a termination payment of Rs. 169,650 lakhs



**Notes to Standalone financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

(apart from various other claims towards future loss, Loss of Toll Revenue, Loss suffered on account of additional overheads etc.) from NHAI as per the terms of the Concession Agreement. In response to the above notice, GVK DKEPL has received letter from NHAI dated July 03, 2019 denying the claim of GVK DKEPL stating that the termination notice issued under clause 37.2.2 is invalid as defaults alleged by GVK DKEPL are false and NHAI has not committed any material default in complying with the provisions of the Concession Agreement.

On September 12, 2019, NHAI has issued a termination notice as per clause 37.2.1 of the Concession Agreement for non-fulfilment of the obligation as stated in the Concession Agreement by Concessionaire. NHAI by virtue of this notice, is deemed to have taken possession and control of the project highway along with all the equipment on or at site. After this termination notice toll plaza is deemed to have been transferred to NHAI and from September 16, 2019 onwards NHAI started collecting the toll on the project highway.

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defense and next cross examining the witness of NHAI is scheduled on July 29, 2024.

The Concession Agreement being the sole agreement executed by the Company, termination of the same has now resulted into liquidation basis of accounting which has been adopted in preparation of these financial statements of GVK DKEPL. Under the liquidation basis of accounting, all assets and liabilities are measured at their net realizable value. As toll collection right has been taken over by NHAI from the Company, Company has impaired toll and premium assets against premium liability (not due) and claim receivable from NHAI.

c) GVKTPL has accumulated losses, and its net-worth has been fully eroded, GVKTPL has incurred a net loss during the current and previous period/ year(s) and net cash loss during the current year and the company's current liabilities exceeded its current assets as at the balance sheet date. J.C. Flowers Asset Reconstruction Pvt Ltd (Debt assigned by Yes bank) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKTPL on February 24, 2022, and replies filed and reserved for orders on May 29, 2024. GVKPIL has not provided any corporate guarantees for GVKTPL and its subsidiaries.

Based on such assessment management has made an impairment provision amounting to Rs 4,977 lakhs (which includes deemed investment of Rs. 1,181 lakhs) in the earlier years.

- 52.** GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company has Investment Property having book value of Rs.11, 655 Lakh (March 31, 2023, Rs.11, 655 Lakh). GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL. GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, despite the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security.

Enforcement Directorate (ED) had tried to provisionally attach the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021, has stayed the proceedings of such provisional attachment of Land by issuing show Cause Notice to ED. As on day no response has been submitted and the status quo is maintained.

The matter is under litigation. Pending these litigations, the Investment Property having book value of Rs.11,655 Lakh (March 2023: Rs 11,655 Lakhs) is shown as recoverable since the Management is confident of winning the cases on merits.

- 53.** In June 2020, Central Bureau of Investigation (CBI) has registered a First Information Report (FIR) against MIAL, its parent Company GVK Airport Holdings Limited (GVKAHL) (both are erstwhile step-down subsidiaries of the Company), the Chairman and Vice Chairman of the Company and has initiated investigation on various matters alleging misuse of funds of MIAL including for the benefit of other GVKPIL group and related parties. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against MIAL, Vice

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

Chairman & erstwhile CFO of the Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the charge sheet has been taken and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated, and no offence u/s section 420 IPC is made out as there is no loss to AAI, Government, or any Tax Authorities as alleged. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid proceedings.

The Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) based on an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the un-relied documents and un-relied statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on 27.06.2024.

The Audit Committee of the Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings with cases related to CBI and ED, the implications, if any, that may arise on the GVKPIL can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid investigation.

**54.**As at March 31, 2024, The company has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 49, 50, 51(a) and 51(b) (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Deoli Kota Expressway Private Limited), uncertainties are being faced by various projects such as delays /non development of coal mines in an overseas project where GVKPIL has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge, arbitration on delay of commencement of road projects, termination of various projects etc. Various guarantees given by GVKPIL on behalf of their subsidiaries, associates and joint controlled entity have been invoked by the lenders. These factors indicate significant doubt on going concern ability of the company. Notwithstanding the above, the financial statements of the company have been prepared on going concern basis as management believes that the company would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; will reach an optimal solution with non-controlling shareholders and lenders etc. as required despite current macro-economic environment challenges.

**55.**The Company and its erstwhile subsidiary GVK Airport Developers Limited (GVK ADL) had entered into a binding agreement comprising a co-operation agreement and other related agreements with Adani Airport Holdings Limited (AAHL) on August 31, 2020 and subsequent dates. This includes acquisition of the debt by AAHL from various lenders of GVKADL with a view to release pledge on certain shares of GVK Airport Holdings Limited (GVKAHL) and with an ability for AAHL to convert the acquired debt from the lenders of GVKADL to equity so as to acquire equity interest in Mumbai International Airport Limited (MIAL) and also acquiring Company's equity and other instruments in GVKADL and also possible acquisition/ settlement of debt of GVK Coal Developers (Singapore) Pte Ltd (GVK Coal) (with a view to release pledge on remaining shares of GVKAHL). AAHL has since acquired the debt of GVKADL from lenders and has converted the same to equity acquiring controlling interest in GVKADL on July 13, 2021. Consequently GVKADL, Bangalore Airport & Infrastructure Developers Limited (BAIDL), GVKAHL, MIAL and Navi Mumbai International Airport Limited (NMIAL) are no longer subsidiaries of the Company from July 13, 2021.

The broad contours of the co-operation and related agreements is detailed below:

- (i) Acquisition of debt and related accrued interest with carrying value in the financial statements of GVKADL of Rs. 255,107 lakhs by AAHL.
- (ii) AAHL acquiring certain securities of Sutara Roads & Infra Limited, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of co-operation agreement.

## Notes to Standalone financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

(iii) Acquiring equity of Rs. 30,000 lakhs and other instruments of Rs.100,000 lakhs held by GVKPIL and its subsidiary in GVKADL by AAHL to be settled by transfer of securities held by AAHL referred to in (ii) above. The said security as held by AAHL will be transferred on the date when GVKPIL transfers the balance shares of GVKADL.

(iv) GVKPIL and AAHL have also agreed on certain steps to be taken in respect of lenders of GVK Coal.

GVKPIL has sold its majority holding in GVKADL to AAHL and AAHL has acquired and hold the securities as per Para (ii) above during the financial year ended March 31, 2022. The balance shares of GVKADL are yet to be acquired by AAHL. The management considered GVKPIL as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.137,464 Lakhs held by AAHL as per Para (ii) above in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of GVKPIL at Rs.137,464 Lakhs in the standalone financial statements.

**56.**The Board of Directors has approved the scheme of amalgamation in their meeting 23rd March, 2022 for with regard to Amalgamation of

- GVK Airport Services Private Limited (Transferor Company -1),
- GVK Power (Khadur Sahib) Private Limited (Transferor Company -2),
- GVK Shivpuri Dewas Expressway Private Limited (Transferor Company -3),
- Sutara Roads & Infra Limited (Transferor Company -4)
- GVK Power & Infrastructure Limited (Transferee Company)

The application has been filed with National Company Law Tribunal, Hyderabad on 31st March, 2022, seeking for the dispensation of shareholders & credits meeting and same has been allowed by order dated January 09, 2023 read with order dated February 28, 2023. Subsequently, a petition was filed on June 08, 2023 for approval of the proposed scheme of amalgamation. The petition was heard before NCLT and the listing order was passed on July 04, 2023 directing the Petitioner to issue notice to the statutory authorities and also file a paper publication. Pursuant to the directions, the Petitioner companies have complied with the necessary directions and have not received any comment from any of these authorities. The NCLT asked to furnish further documents and the next date of hearing is on June 21, 2024. In view of the in ordinate delay in approval the company propose to withdraw the application of merger.

**57.**Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

**58.**Previous year's figures have been regrouped/reclassified , wherever necessary, to conform to the current year's classification.

As per our report of even date.

**For T R Chadha & Co LLP,**

Chartered Accountants

Firm registration number: 006711N/N500028

**Sheshu Samudrala**

Partner

Membership No. 235031

Place: Hyderabad

Date: May 28, 2024

For and on behalf of the Board of Directors of

**GVK Power and Infrastructure Limited**

(CIN - L74999TG2005PLC059013)

**Dr. GVK Reddy**

Non-Executive Chairman

DIN: 00005212

**Sanjeev Kumar Singh**

Chief Financial Officer

ACA: 074700

Place: Hyderabad

Date: May 28, 2024

**PV Prasanna Reddy**

Whole-time Director

DIN: 01259482

**Ravi Prakash T**

Company Secretary

ACS: 9730





**GVK POWER & INFRASTRUCTURE LIMITED (UNDER CIRP)**

Registered Office:

Darshak Chambers, Plot No:32, Ground floor

House No:1-8-303/48/32, Street No:1

Penderghast Road, Secunderabad – 500 003.